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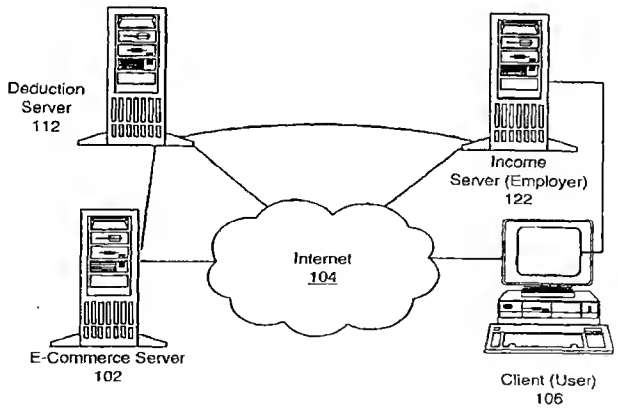

(57) Abstract: A system and method are provided for performing electronic commerce (e-commerce) transactions using income deduction techniques. A User of the income deduction service system may purchase a product from a vendor using an income deduction option. The vendor may be an e-commerce vendor with an e-commerce server hosting a Web site useable to initiate e-commerce purchases. A Deduction Server may receive purchase information describing the purchase. The purchase information may be received from the User or from the e-commerce server. In one embodiment, the purchase information may be received through the Internet. The Deduction Server may communicate with a payroll system of an Employer of the User and may request the payroll system perform income deductions from the User's income in response to receiving the purchase information. The payroll system may provide income deduction funds to the Deduction Server to fulfill the purchase obligation. The Deduction Server may forward income deduction funds to the e-commerce system as payment for the product. A variety of services may be provided to Users of the income deduction service system. The services may include income deduction for a budgeting service, income deduction for debit card services, income deduction for credit services, income deduction for bill payment services, and a master control panel service.

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TITLE: "SYSTEM AND METHOD FOR INTEGRATING INCOME DEDUCTION PAYMENT TECHNIQUES WITH INTERNET E-COMMERCE AND ANCILLARY SYSTEMS"

Background of the Invention

Field of the Invention

The present invention generally relates to the fields of payroll and other income distribution software and Internet e-commerce and ancillary systems. More particularly, the present invention relates to a system and method for performing electronic commerce transactions using payroll deduction.

Description of the Related Art

Internet commerce has become an increasingly popular form of commerce in the United States and throughout the world. In general, Internet-based commerce, often referred to as e-commerce, provides vendors and service providers the ability to greatly increase their sales channel and distribution network with minimal cost. An Internet commerce site provides a convenient and effective mechanism for potential customers to use, select and purchase goods or services in an easy and simple fashion.

Current methods of online payment for goods and services in e-commerce typically include credit cards, bank drafts, and debit cards. However, many potential customers have concerns over providing credit card information over the Internet due to security issues. In addition, many customers prefer using a debit card, which involves deduction of the required funds from the customer's bank account for payment of the purchased product. Many customers prefer the use of a debit card to avoid the possibility of large credit card balances and the interest fees associated therewith.

Socio-economics are continually evolving towards a simplified payment and money system. Several hundred years ago, society primarily revolved around a barter system. Twenty years ago, credit cards became a commonplace equivalent for paper money. With the very recent advance of items such as direct deposit, online banking, computer bill payment and computer Web payment, it seems clear that society is moving closer toward eliminating the need for paper money altogether. Therefore, an improved system and method is desired for conducting payment for Internet e-commerce transactions and ancillary services.

Summary of the Invention

A system and method are provided for performing electronic commerce transactions using payroll (income) deduction techniques. An income deduction service system may be provided. A User of the system may initiate a purchase of a product from an electronic commerce vendor. An electronic commerce vendor may provide an electronic commerce server for the purchasing of goods or services (products). In one embodiment, the electronic commerce server may be connected to the Internet, and the electronic commerce vendor may provide a Web site comprising one or more Web pages serving as User interfaces operable to purchase products. In one embodiment, the User may initiate the purchase from a computer system including a Web browser by accessing the Web site on the electronic commerce server. The electronic commerce server may present one or more payment

options to the User, including an income deduction payment option. The User may select the income deduction payment option to pay for the product. In one embodiment, the one or more payment options may be presented in a Graphical User Interface (GUI), and the User may select the income deduction payment option from the one or more payment options using the GUI. The electronic commerce server may then forward the purchase information to the Deduction Server 112. The Deduction Server 112 may initiate an income deduction from an Employer of the User to pay for the purchase in response to receiving the purchase information.

In one embodiment, the Deduction Server 112 may receive payroll information of the User from the Employer of the User at the User's request. In another embodiment, the payroll information may be retrieved from a database. Alternatively, the Deduction Server 112 may receive payroll information of the User directly from the User. The payroll information may include, but is not limited to: an Employer name, Employer contact information, and a payroll date. Examples of Employers include, but are not limited to: businesses, national, state, and local governments, non-profit organizations, and the military. The Employer may be a temporary staffing agency, employee leasing company, etc., which may administer the User's pay, or a payroll company which administers the User's pay on behalf of the Employer.

The Deduction Server 112 may request an income deduction from the Employer of the User in response to receiving the purchase information and the payroll information of the User. The income deduction may be set up by the Employer on an Income Server operated by the Employer. An Income Server may be a computer system configured to perform various Employer tasks including payroll administration, and may be in electronic communications with the Deduction Server 112, for example, by the Internet or a dedicated connection. In one embodiment, the Deduction Server 112 may determine one or more required deduction amounts prior to requesting the income deduction from the Employer. The Deduction Server 112 may request the income deduction from the Employer by creating an income deduction authorization form including the income deduction request and transmitting the income deduction authorization form to the Employer to request the income deduction.

When the next pay period occurs, the Employer's Income Server may operate to forward funds to the Deduction Server 112, wherein the funds comprise at least a portion of the User's income. The Deduction Server 112 may thus receive the funds from the Income Server in response to the income deduction request. In one embodiment, the funds may be received by electronic transfer. The Deduction Server 112 may post pay date information to a scheduling/tracking system prior to receiving the funds. After receiving the funds, the Deduction Server 112 may enter the amount received in the scheduling/tracking system. The Deduction Server 112 may determine if the correct amount of the funds were received after receiving the funds. If the Deduction Server 112 does not receive sufficient income deduction funds to meet payment obligations of the User, such as after a time-out period, the Deduction Server 112 may transmit one or more notifications to the Employer and the User of improper receipt of the funds. In one embodiment, if the Deduction Server 112 has not received sufficient income deduction funds to pay for the product, the Deduction Server 112 may determine if the User's purchases are covered by an alternative credit source. The Deduction Server 112 may presume full receipt of funds in response to determining that the purchase is covered by an alternative credit source.

The Deduction Server 112 may forward at least a portion of the User's income deduction funds received from the Income Server to the electronic commerce vendor as a partial or full payment for the product. The Deduction Server 112 may then send a completion notification and statement to the User. The electronic commerce vendor may then provide the product to the User after receiving payment from the Deduction Server 112.

As mentioned above, the Deduction Server 112 may be configured with a time-out period for receiving funds to pay for a purchase. If sufficient income deduction funds are not received to pay for the product before expiration of the time-out period, the Deduction Server 112 may transmit one or more notifications to the Employer and the User of cancellation of the product purchase. If sufficient income deduction funds are received to pay for the product before expiration of the time-out period, the Deduction Server 112 may forward the funds to the electronic commerce vendor to pay for the purchase.

In one embodiment, the Deduction Server 112 may determine if a financing application is required prior to requesting the income deduction from the Employer. A financing application may be required for large purchases, such as a television, automobile, etc. The Deduction Server 112 may receive financing information from the User regarding financing of the product, and then may determine the approval of the financing application in response to receiving and analyzing the financing information. The Deduction Server 112 may transmit a notification to the User of rejection of the financing application in response to not approving the financing application. If the financing application is approved, the Deduction Server 112 may determine one or more required deduction amounts for a plurality of payroll periods. A plurality of income deductions may then be set up for a plurality of pay periods as payment for the product.

A variety of ancillary services may be provided by the income deduction service system of the present invention. The services may include income deduction for a budgeting service, income deduction for a debit card service, income deduction for a credit service, income deduction for a bill payment service, and a master control panel service. The budgeting service may allow a User to set up a budget in various categories, such as savings and investments, recurring and installment purchases, one time deduction purchases, charitable contributions, bill payment, credit cards, debit cards, among others. The Budgeting Service may receive a portion or all of the User's income, and may allocate the money to various payees according to the specified budget. A debit card service may allow a User to assign specific income deduction amounts to one or more debit cards. The debit cards may be used as ATM (automatic teller machine) cards, retail charge cards, or phone cards, without requiring a bank account. A credit service may provide a User with a credit line and/or one or more credit cards. The credit line may be used to advance purchases against future income. The payments for the credit service may be deducted through the Deduction Server 112. A bill payment service may allow a User to pay household bills directly from the User's paycheck. The bill payment service may also allow the User to make purchases from e-commerce sites and other businesses that do not accept income deduction as a method of payment. A control panel service may allow a User to integrate various income deduction service options in one location.

Brief Description of the Drawings

A better understanding of the present invention can be obtained when the following detailed description of the preferred embodiment is considered in conjunction with the following drawings, in which:

Figure 1 illustrates an income deduction service system that operates according to one embodiment of the present invention;

Figure 2 illustrates various service options available to the client according to one embodiment of the present invention;

Figures 3A and 3B comprise a flowchart diagram illustrating one embodiment of a method for conducting an e-commerce transaction using income deduction as a payment technique;

Figure 4 is a flowchart diagram illustrating one embodiment of a process for a User to provide income information to configure a Deduction Server 112;

Figure 5 is a flowchart diagram illustrating one embodiment of Deduction Server 112 processing;

Figure 6 is a flowchart diagram illustrating one embodiment of a method for determining if the correct income deduction amount is received at the Deduction Server 112;

Figure 7A is a flowchart diagram illustrating methods for transferring funds from the Income Server to the Deduction Server 112;

Figure 7B is a flowchart diagram that expands on step 701 of Figure 7B, and that describes one embodiment of selecting a funds transfer option for a Non-Captive User;

Figure 8 is a flowchart diagram illustrating one embodiment of a budgeting service using income deduction;

Figure 9A is a flowchart diagram illustrating one embodiment of a debit service using income deduction;

Figure 9B illustrates an example setup that a User may select in creating four Debit Cards;

Figure 10A is a flowchart illustrating one embodiment of a bill payment service using income deduction;

Figure 10B illustrates example bill payments;

Figure 11 is a flowchart illustrating one embodiment of a method of establishing an income deduction payment from a Captive User;

Figure 12 is a flowchart illustrating one embodiment of a credit service using income deduction; and

Figure 13 is a diagram illustrating various options available to the User in one embodiment of a Control Panel service.

While the invention is susceptible to various modifications and alternative forms, specific embodiments thereof are shown by way of example in the drawings and will herein be described in detail. It should be understood, however, that the drawings and detailed description thereto are not intended to limit the invention to the particular form disclosed, but on the contrary, the intention is to cover all modifications, equivalents, and alternatives falling within the spirit and scope of the present invention as defined by the appended claims.

Detailed Description of the Embodiments

Figure 1: Network System for Performing E-Commerce using Income Deduction

Figure 1 illustrates a simplified and exemplary Internet commerce or e-commerce network system according to one embodiment of the present invention. The system shown in Figure 1 may utilize income (payroll) deduction payment techniques in an e-commerce transaction. The system shown in Figure 1 may also implement other income deduction based services, as described below.

As used herein, the term "Employer" is intended to include law firms, accounting firms, manufacturing firms, retail stores, government agencies, the Military, service companies, non-profit organizations, temporary employment agencies, and in general any business entity that has employees (Users), and that directly or indirectly provides monetary compensation to its employees (Users). In addition, the term "Employer" also includes government or private entities that provide non-compensatory funds to clients (Users), for example, entities that provide social security, worker's compensation, insurance benefits, retirement benefits, etc. The term "Employer" also includes third party companies such as payroll companies, certified public accountants, professional bill payment companies, employee leasing companies, and/or a temporary staffing companies. As used herein, the term "income" is intended to include all compensatory and non-compensatory funds provided to an employee (User) by an Employer. As used herein, the term "payroll" is intended to include all monetary compensation provided to an employee (User) by an Employer.

As shown, the system may include an Internet commerce server, also referred to as an e-commerce server 102. The e-commerce server 102 is preferably maintained by a vendor who offers goods or services over the Internet. One example of an e-commerce vendor is Amazon.com, which sells books and other items over the Internet.

As shown, the e-commerce server 102 may be connected to a network 104, preferably the Internet 104. The Internet 104 is currently the primary mechanism for performing electronic commerce. However, the present invention may be used with any of various types of wide-area networks, such as the Internet, which connects computers and networks of computers together, thereby providing the connectivity for enabling electronic commerce to operate. Thus, the network 104 may be any of various types of networks.

A client computer 106 may also be connected to the Internet 104. The client computer system 106 may execute Web browser software for allowing a User of the client computer 106 to browse and/or search the Internet 104, as well as enabling the User to conduct transactions or commerce over the Internet 104. When the User of the client computer 106 desires to purchase a good or service from a vendor over the Internet 104, the Web browser software preferably accesses the Web page of the respective e-commerce server, such as e-commerce server 102. The client may access the Web page of the e-commerce server 102 directly or may access the site through the Web pages of Deduction Server 112 or some other third party. When the client Web browser accesses the Web page of the e-commerce server 102, the e-commerce server 102 provides various data and information to the client browser on the client system 106, possibly including the products (goods and/or services) offered, descriptions and prices of these products, and other information that would typically be valuable to the purchaser of a product. As used herein, the term "product" is intended to include various types of goods or services, such as books, CDs, content

subscription services, furniture, online auction items, clothing, ISP service, consumer electronics, travel, software, medical supplies, computer systems etc., or various services such as loans (e.g., auto, mortgage, and home re-financing loans), securities (e.g., stocks, retirement accounts, bonds, and mutual funds), or insurance (e.g., life, health, auto, and home owner's insurance), among others.

The person or client operating the client computer 106 may be referred to as an "Income Earner" or a "User." As used herein, an Income Earner or User includes any person who receives an employment compensation payment or income, such as in the form of a paycheck, expense reimbursement, accounts payable check, or direct deposit, from which deductions may be made. Thus, an Income Earner or User includes an employee who receives a paycheck from an Employer. An Income Earner or User may receive any type of income, including but not limited to those that would result in the generation of IRS forms W2, 1099, as well as those that would not generate an IRS form. The term User may also refer to a person or entity operating the client computer 106 on behalf of an Income Earner. For example, an Income Earner's spouse may operate the client computer 106 on behalf of the Income Earner to access the various services described herein.

As shown, an Income Server 122 may connect to the Internet 104. The Employer may use an Income Server 122 to perform income servicing functions, such as paying employees (Users). The User may be paid by his/her Employer or by a third party contractor of the Employer. The Income Server 122 may be operated directly by the Employer, or on behalf of the Employer by a third party company, such as a payroll company, a certified public accountant, a professional bill payment company, an employee leasing company, and/or a temporary staffing company.

In some embodiments, the User may include persons that receive income from sources other than an Employer or as a third party contractor. These types of income may include, but are not limited to: those that may generate IRS forms 1099 and K1, as well as those that may not generate an IRS form. Examples of other income types may include, but are not limited to: Social Security benefits, workers compensation benefits, disability payments, alimony and child support payments, unemployment payments, gambling winnings, court payments, capital gains, royalties, and partnership/corporate distributions. In some embodiments, the Income Server 122 may be operated by any party making payments to the User.

An Income Server may include any system for making payments to a User. The term may encompass computer systems operated by the party obliged to make the payment (e.g. an Employer of the User) as well as any third party Employer entities (e.g. a payroll company) making payments to the User on behalf of the payer. Examples of Income Servers may include, but are not limited to: computer systems operated by payroll companies, accounting programs, government agencies, payment services, and all other systems used for the purposes of making the payments.

In an e-commerce transaction between the User and the e-commerce server 102, when the User has selected one or more products for purchase and is "checking out," the e-commerce server 102 may display various payment options, including an income deduction method of payment. The User may then provide additional information regarding the User and/or Employer, such as the Employer name as well as other information that may be necessary for an income deduction to take place as the form of payment for the purchased product from the e-

commerce server 102. This provides a more convenient and simplified mechanism for purchasing products in an e-commerce application.

The system of Figure 1 may also include a Deduction Server 112, which may connect to the Internet 104. The Deduction Server 112 may in addition or instead connect directly to the e-commerce server 102. The Deduction Server 112 may also connect directly to the Income Server 122. The Deduction Server 112 may receive purchase information from an e-commerce server 102 and/or User. The purchase information may include the purchase amount, the User (e.g. employee) name, and other information. The Deduction Server 112 102 may also receive payroll (income) information of the User. The income information may include Employer information such as the Employer name, address and telephone number, and income information such as income type (e.g. payroll, Social Security, Worker's compensation), pay frequency, amounts, and dates. Alternatively, income information may be received from the Income Server 122. The Deduction Server 112 may receive purchase information from the e-commerce server 102 and/or client 106 through the Internet 104. Alternatively, the Deduction Server 112 may receive purchase information directly from the e-commerce server 102 and/or client 106, e.g., through a direct connection such as a dedicated T1 line, frame relay, or other dedicated communication channel, instead of through the Internet.

As shown, the Deduction Server 112 may communicate with the Income Server 122 to initiate the income deduction payment method. The Deduction Server 112 may request the Income Server 122 to perform one or more deductions from a User's income resulting from the User's purchase of a product from the e-commerce server 102, as well as any other services listed in Figure 2. Thus, the Deduction Server 112 may operate to communicate with or contact the Income Server 122 to facilitate an income deduction from the income system of the Income Server 122. Thus, the Deduction Server 112 may offload or supplement the income deduction processing and accounting from the e-commerce server 102, i.e., offload this task from the e-commerce vendor.

In one embodiment, the Income Server 122 may also be coupled to the Internet 104. Alternatively, the Income Server 122 may not be coupled to the Internet for security reasons, and thus the Deduction Server 112 may use other means for communicating with the Income Server 122. For example, the Deduction Server 112 may connect directly to the Income Server 122 (not through the Internet), e.g., through a direct connection such as a dedicated T1 line, frame relay, or other dedicated (and presumably more secure) communication channel. Alternatively, the Deduction Server 112 may communicate with the Income Server 122 via mail, e.g., the Deduction Server 112 may transmit income deduction authorization forms via mail to the Employer, wherein the Employer may configure the Income Server 122 accordingly.

Figure 1 illustrates an exemplary embodiment including one e-commerce server 102, one client computer system 106, one Deduction Server 112, and one Income Server 122 which may be connected to the Internet 104. However, it is noted that the present invention may be utilized with respect to any number of e-commerce servers 102, clients 106, Deduction Servers 112, and Income Servers 122.

Deduction Server 112

The Deduction Server 112 may be programmed according to one embodiment of the invention to facilitate an income deduction payment method for a product sold in an electronic commerce application. The Deduction Server 112 may also be programmed to provide other services, as described below in Figure 2. The Deduction Server 112 may be utilized as a transaction processor, and may serve as a Web site for interaction with the client 106, Income Server 122, e-commerce server 102 and any other interested parties. It is noted that a portion or all of the Deduction Server 112 may be implemented in the e-commerce server 102 or the Income Server 122 as desired.

The Deduction Server 112 may include various standard components such as one or more central processing units, memory, a non-volatile storage device such as a hard drive, and other standard components, e.g., a display device, input devices, a power supply, etc. The Deduction Server 112 may also be implemented as two or more different computer systems.

The Deduction Server 112 preferably includes a memory medium on which computer programs according to the present invention are stored. The term "memory medium" is intended to include various types of memory or storage, including an installation medium, e.g., a CD-ROM, or floppy disks 160, a computer system memory such as DRAM, SRAM, EDO RAM, Rambus RAM, etc., or a non-volatile memory such as a magnetic media, e.g., a hard drive, or optical storage. The memory medium may comprise other types of memory as well, or combinations thereof. In addition, the memory medium may be located in a first computer in which the programs are executed, or may be located in a second different computer which connects to the first computer over a network. In the latter instance, the second computer provides the program instructions to the first computer for execution. Also, the server 112 may take various forms, including a computer system, mainframe computer system, workstation, network appliance, Internet appliance, or other device. In general, the term "computer system" or "server" can be broadly defined to encompass any device having a processor that executes instructions from a memory medium.

The memory medium preferably stores a software program for implementing an income deduction payment technique. The software program may be implemented in any of various ways, including procedure-based techniques, component-based techniques, and/or object-oriented techniques, among others. For example, the software program may be implemented using ActiveX controls, C++ objects, JavaBeans, Microsoft Foundation Classes (MFC), or other technologies or methodologies, as desired. A CPU, such as the host CPU, executing code and data from the memory medium comprises a means for implementing an income deduction payment technique according to the methods or flowcharts described below.

Various embodiments further include receiving or storing instructions and/or data implemented in accordance with the foregoing description upon a carrier medium. Suitable carrier media include memory media or storage media such as magnetic or optical media, e.g., disk or CD-ROM, as well as signals such as electrical, electromagnetic, or digital signals, conveyed via a communication medium such as networks and/or a wireless link.

The present invention provides a number of benefits to e-commerce vendors. First, the income deduction payment method offered by the present invention may allow a number of new consumers with disposable income to conduct commerce with vendors which include this form of payment. The income deduction payment method of the present invention also provides a mechanism for these vendors to distinguish themselves from their competitors.

For example, many purchasers may prefer payroll deduction over credit card payment. Vendor sales may be increased through specialized targeting using the specific characteristics and profile of a User's income. Further, this method provides certain vendors, such as insurance companies, that cannot generally accept credit card payments, a more convenient and simplified mechanism to the current practice of relying upon the consumer to provide monthly or annual checks. This provides a more convenient and simplified mechanism for purchasing products in an e-commerce application.

The present invention provides a number of benefits to the User. First, the income deduction payment provides the consumer an efficient and convenient method of making payments to e-commerce vendors. The method helps Users to limit purchases to their desired budget and disposable income that helps avoid over spending and credit card interest rates. Additionally, this invention creates an additional payment option to Users that cannot or choose not to use credit card or traditional payment options. As described further below, other embodiments of the present invention may provide a number of other services that may be used by Users.

Figure 2: Income Deduction Service Options

Figure 2 illustrates various income deduction services, or service options, that may be offered according to one embodiment of the present invention. Figure 2 illustrates various ways in which a User of the system may specify distribution of monies from a User's paycheck, or other income sources, for various services. For example, as used herein, the term "User" may refer to a person or entity utilizing the services of the described invention.

Certain Employers may have a prior affiliation or arrangement with the operators of the Deduction Server 112. In one embodiment, the Employer may have contracted with the Deduction Server 112 to facilitate the regular electronic transfer of income, demographic, and deduction information between the Employer and the Deduction Server 112. An Employer that has contracted with the Deduction Server 112 is herein referred to as a Captive Employer. An Employer that has not contracted with the Deduction Server 112 is herein referred to as a Non-Captive Employer. A Captive Employer, for example, may regularly provide the Deduction Server 112 with electronic data that may include a listing of employee names, payroll frequencies, future payroll dates, and expected payroll amounts. A User paid through a Captive Employer is referred to as a Captive User. A User paid through a Non-Captive Employer is referred to as a Non-Captive User.

Users who are paid through Captive Employers may have the option of reviewing and updating the User's income history and setup 212. Utilizing this service, the User may review the information provided by the Employer to the Deduction Server 112. The User may also request the Deduction Server 112 to forward instructions to the Employer, or request the Income Server 122 directly, to change User setup information such as direct deposit, tax status, Employer-provided insurance coverage, and addresses, among other services. In one embodiment, all services may be available to the Users who are paid through Captive Employers' Captive Employees. In one embodiment, all services, with the exception of the Review and Update 212, may be available to the Users who are paid through Non-Captive Employers' Captive Employers.

Income deduction services, as illustrated in Figure 2, may include income deduction for payment for a product in an e-commerce transaction 202, income deduction for a budgeting service 204, income deduction for

debit card services 206, income deduction for credit services 208, income deduction for bill payment services 210, the service for reviewing and updating income history and setup 212, and a master control panel service 214.

As shown in Figure 2, one income deduction service may allow User to specify income deduction for purchasing products. User may purchase a product from an e-commerce site on the Internet, wherein the e-commerce site accepts income deduction as a payment option. Alternatively, User may purchase a product from an e-commerce site 102 on the Internet, wherein the e-commerce site 102 may not have income deduction as a payment option and where the Deduction Server 112 would serve as a virtual income deduction payment option using the Credit Service 208 or Bill Payment Service 210. The e-commerce site 102 may utilize a Deduction Server 112, which may be operated by a third party company, wherein the Deduction Server 112 facilitates the notification, tracking, and transfer of funds necessary (e.g., from an Employer to an e-commerce vendor) to complete the transaction. An embodiment of an Income Deduction Service for Purchases is illustrated in Figures 3A and 3B.

As shown in block 204, User may subscribe to a Budgeting Service 204 in which the forwarding of some or all of a User's net pay to a Budgeting Service provider may be authorized. Upon subscribing to the Budgeting service 204, User may set up a budget in various categories, such as savings and investments, recurring and installment purchases, one time deduction purchases, charitable contributions, bill payment, credit cards, and debit cards, among others. For example, User may use a browser-based GUI (graphical User interface), which presents User with the above list of categories to use for budgeting or distributing the net pay amount. Net pay is defined as the gross pay received by a User less any prior deductions. Additionally, User may create User-specified categories. At any time, User may adjust the amounts assigned to each category. In one embodiment, the Budgeting Service may include a tax calculator, comparisons to national or other relevant averages, and expert advice designed to assist User in deciding on the amounts to assign to each category. The Budgeting Service 204 provider may include a Deduction Server 112 that performs the income deduction, budgeting, and money distribution services according to the specified budget. Thus, the Budgeting Service provider may receive a portion or all of the User's income, and may allocate the money to various payees, accounts, and accumulating funds according to a specified budget. An embodiment of a Budget Service is illustrated in Figure 8.

As shown in block 206, User may subscribe to a Debit Card service that may allow a User to assign specific income deduction amounts to one or more Debit Cards. This service may be used on its own, or may be part of the more comprehensive Budgeting service 204. The Debit Cards may be used in a similar manner to standard bank debit cards, except that no bank account may be necessary. In other words, the User may use the debit card like a bank account. The Debit Cards may be used as ATM (automatic teller machine) cards, retail charge cards, or phone cards, without requiring a bank account. Other example uses for the debit card may include cards designated for allowances for children, emergency money, and a telephone calling card. An embodiment of a Debit Card Service is illustrated in Figure 9A.

As shown in block 208, User may apply for a Credit service that may provide a User with a credit line and/or one or more credit cards. This service may be used on its own, or may be part of the more comprehensive Budgeting service 204. The credit cards may be used in a similar manner to standard credit cards. The credit line

may be used to advance purchases against future income. Conventional credit cards and credit lines generally require the cardholder to make monthly payments out of the cardholder's bank account. The payments for the credit service 208 may be deducted through the Deduction Server 112 as the User is paid. Additionally, the maximum allowable credit service credit line may be determined in part or in whole by the monthly net income the Deduction Server 112 expects to receive from the User. An embodiment of a Credit Service is illustrated in Figure 12.

As shown in block 210, User may subscribe to a Bill Payment service, which may allow a User to pay household bills (e.g., rent, utilities, credit cards) directly from the User's paycheck. The Bill Payment Service may also allow the User to make purchases from e-commerce and non-e-commerce businesses that do not accept income deduction as a method of payment. This service may be used on its own, or may be part of the more comprehensive Budgeting service 204. User may specify the amount, payment date, and payee information. The deduction service provider may then deduct the required amount from future paychecks until the target amount has been reached. The deduction service provider may then forward the required funds to the payees set up by User through paper check or electronic funds transfer. An embodiment of a Bill Payment Service is illustrated in Figure 10A.

As shown in block 214, User may subscribe to the Control Panel Service. The Control Panel Service 214 may allow a User to integrate various service options in one location. The Control Panel Service may or may not be used with other service options. In one embodiment, the Control Panel Service GUI is created as a stand-alone product. In another embodiment, some or all of the functions of the Control Panel Service GUI may be merged into the Budget Service 204. The Control Panel Service 214 may allow a User to coordinate, prioritize, and set up advanced calculations and reports for all deductions for the service options. Control Panel Service 214 may also allow a User to set up a Privacy Panel which may allow the User to determine the amounts and types of information the User chooses to disclose to various parties. The Control Panel Service 214 may also allow the User to access community-related items including email services, community discussion groups, and bulletin board services. An embodiment of the Control Panel Service is illustrated in Figure 13.

Deduction Server 112 may be accessible on the Internet. In one embodiment, User may use a Deduction Server 112 Web site to review and adjust deduction amounts on a User's paycheck for one or more service options. In one embodiment, while User is using the Deduction Server 112 Web site for service options, the Deduction Server 112 may display links to, or specific products of, one or more of a plurality of e-commerce sites which may provide an income deduction payment option. In one embodiment, the links displayed may be based on the User's income, demographic profile, pay occasion (e.g., regular pay, bonus), and/or service used. The Deduction Server 112 may also display links to other service options.

Figures 3 - 13

Figures 3 through 13 include flowchart diagrams that illustrate operation of embodiments of the present invention. It is noted that various of the steps in the flowcharts below may occur concurrently and/or in different orders, or may be absent in some embodiments.

Figure 3A and 3B: Using Income Deduction as a Payment Technique

As illustrated in block 202 of Figure 2, a User may purchase products from a business using an income deduction payment service. One embodiment of this method may operate as follows. In step 302, a User purchases a product from an e-commerce site. For example, in step 302 the User may have connected to a Web site on the Internet to purchase a product. When the User is purchasing a product from the e-commerce site 102, the e-commerce site 102 may display a graphical User interface (GUI) that the User may use to evaluate, select, and/or purchase the product. The e-commerce server 102 may, for example, support a "shopping cart" metaphor for allowing a User of the client computer 106 to select various products for purchase, wherein selected products may be placed into the "shopping cart" for purchase.

When the User of the client computer 106 has selected one or more products for purchase from the e-commerce server 102 and desires to "check out," then the e-commerce server 102 may display a page on the client browser which displays various pricing information and payment options for the User to select. In prior art systems, these payment options typically consist of credit card payment, virtual credit card or virtual bank account ("wallet technology" or "internet cash"), electronic bank draft, debit card payment, or possibly pass-through to an ISP, phone, or other carrier bill. According to one embodiment of the present invention, the customer or User of the client system 106 may also be presented with an income deduction payment option for purchasing the desired product from the e-commerce server 102. Thus, when the User has selected one or more products for purchase and is completing the purchase or "checking out," the e-commerce server 102 may display various payment options, including an income deduction method of payment. In one embodiment, when the User is purchasing a product, the GUI of the e-commerce site may display one or more payment options to the User such as a credit card option, a debit card option, and an income deduction option according to the present invention. As discussed below, the income deduction method of payment provides a more convenient and simplified mechanism for purchasing products in an e-commerce application.

In step 304, the User may select the income deduction payment option. In some embodiments, the User may have previously specified the income deduction payment method, and thus may not have to select this option each time.

In step 306, the User may enter income information that will be provided to the Deduction Server 112. The User may enter income information in the e-commerce site 102 or directly into the Deduction Server 112. In one embodiment, a User may enter income information in the e-commerce site 102, and the e-commerce site 102 may provide the income information to the Deduction Server 112. In another embodiment, a User may enter a User id and a password, e.g., a digital certificate, and the Deduction Server 112 may access income information from its own database or a separate database server using the User id and password. In another embodiment, an icon or digital business card, which may include income information, may be dragged from the User's desktop and dropped on to the e-commerce site graphical User interface (GUI) to convey income information to the e-commerce site 102. In another embodiment, a user may enter a "smartcard" or other identifying media into a computer peripheral or other appliance to convey income information to the e-commerce site 102. Other methods for providing income information may also be used. In step 306, the Deduction Server 112 may receive the income information.

The income information may include information such as the User's name, the Employer's name, address, telephone number(s), fax number(s), and email address(es). The income information may also include the pay type (e.g. payroll, social security, workers compensation, etc.), next pay date, the expected gross and net amounts, and the frequency in which the User is paid (e.g., on a monthly basis, semi-monthly, biweekly, or weekly basis). The income information may include other types of information about the User and other information about the Employer.

If the User is a Captive User or has previously registered with or used the Deduction Server 112, then the User may not be required to enter any income information in step 306 other than a User ID and password. In this case, the Deduction Server 112 may already have access to this information. For example, the income information may be on file for the User if the User is paid by an affiliated Employer or payroll company. An embodiment of this process is illustrated in Figure 4.

In step 308, the Deduction Server 112 may perform authentication of the income information provided by the User. For example, the Deduction Server 112 may validate the identity of the e-commerce site 102 from which the income information is received to ensure that false information is not being received. The Deduction Server 112 may also perform other types of authentication on the User, such as performing verification directly with the User. Various security measures may be used, such as digital certificates, e.g., those offered by VeriSign Corporation.

In step 312, the method may determine whether a financing application is required. Thus, if the product purchased by the User is a costly item, such as an automobile, television or other item which may require more than one income deduction, the Deduction Server 112 may request information from the User to qualify the User for financing.

In step 314, the User may enter data for the financing application. The data may then be received by the Deduction Server 112. The data may include items such as financial data, and may be used to qualify the User for financing.

In step 316, the financing application may be processed by the Deduction Server 112, and the application may be approved or rejected. If the application is rejected, the User may be notified of the rejection of the application in step 318. If the financing application is approved in step 316, then the method may advance to step 332. If a financing application is not required, operation proceeds from step 312 directly to step 332.

Referring now to Figure 3B, in step 332, the Deduction Server 112 may perform Deduction Server 112 processing. Deduction Server 112 processing may include the Deduction Server 112 calculating the required deduction(s) and initiating the income deduction request to the Employer, (e.g., in the form of an income deduction authorization form sent to the Employer). The Deduction Server 112 processing in step 332 may also include the Employer entering the deduction, processing income payments at the next pay period (e.g. the Employer processing the income of the employee), and transferring funds to the Deduction Server 112. An embodiment of performing Deduction Server 112 processing is illustrated in Figure 5.

In step 334, the Deduction Server 112 may determine if the correct income deduction amount is received. This may include comparing any received deduction amount with the required deduction amount determined in step 332. An embodiment of determining if the correct amount is received is illustrated in Figure 6.

In step 335, a check may be made to see if the payments are to be accumulated over multiple pay periods. If it is determined the bill payment requires an accumulation, the process proceeds to step 336. If it is determined the bill payment does not require accumulation, the process proceeds to step 339. In step 336, the accumulated amounts may be examined to determine if the deduction goal has been met. If the goal has been met, the process proceeds to step 339. If the goal has not been met, the process proceeds to step 337. In step 337, the deduction may be added into the accumulation account. A notification may then be sent to the User in step 338, and the process may return to step 332. These steps 332, 334, 335, 336, 337 and 338 may be performed one or more times until the required deduction amount has been received.

In step 339, presuming all required funds have been received, the Deduction Server 112 may forward at least a portion of the funds, e.g., the income deduction amount, to the e-commerce vendor. In one embodiment, the Deduction Server 112 may forward the computed income deduction amount minus a commission and processing fees. In another embodiment, the Deduction Server 112 may accumulate the received deductions until reaching a target amount, and then may forward a portion of the funds to the e-commerce vendor.

In step 340, the Deduction Server 112 may send a completion notification and statement to the User. The completion notification and statement may outline the purpose of the income deduction (e.g., a purchased product, a budget, a debit card, a credit service, a bill payment service, etc.) as well as a financial statement indicating the amount of money deducted from the User's income for this purpose. This statement may also outline any tax consequences of the income deduction as well as any remaining balance for a purchase that requires a recurring charge, such as life insurance or an automobile.

In step 341, the Deduction Server 112 may determine if the deduction, purchase, or service results in any tax consequences for the User, the Employer, the e-commerce server, or any other party. If the transaction results in tax consequences, the Deduction Server 112 may prepare tax documents, or instruct a party to do so, in step 342. As an example, an Employer may be required to report certain pre-tax insurance deductions on an employee's W2.

In step 344 the e-commerce vendor may provide or deliver a product to the User. In some embodiments, the e-commerce vendor may provide or deliver the product to the User prior to receiving payment for the product. For example, the e-commerce vendor may provide the product to the User upon notification that the income deduction setup has been successfully recorded in the Employer's payment system.

Figure 4: Providing Income Information to a Deduction Server 112

As illustrated in block 306 of Figure 3A, a User may provide income information to configure a Deduction Server 112. Figure 4 is a flowchart which illustrates block 306 of Figure 3A.

In step 352, the method may determine if the User is paid through a Captive Employer, or if the User has previously used or registered with the Deduction Server 112. If the User is paid through a Captive Employer or has

previously used or registered with the Deduction Server 112, the collection of specific income information about the User may not be necessary, as this specific income information may be available to the Deduction Server 112.

If the User is not paid through a Captive Employer and has not previously used or registered with the Deduction Server 112 as determined in step 352, then in step 354 the User may enter income information. The income information may include information such as the User's name and contact information, the Employer's name, address, telephone and fax number(s), and email address(es). The income information may also include the pay type (e.g. payroll, social security, workers compensation, etc.), next pay date, the expected gross and net amounts, and the pay frequency (e.g., on a monthly basis, semi-monthly, biweekly, or weekly basis). The income information may include other types of information about the User, or other information about the Employer.

In step 356, the Deduction Server 112 may receive the income information entered by the User. In one embodiment, if the User is not paid through a Captive Employer and has not previously used or registered with the Deduction Server 112 as determined in step 352, the User may not be required to enter income information. For example, the User may simply provide a reference to a database containing this information, and may then verify the retrieved information.

Figure 5: Deduction Server 112 processing

As illustrated in block 332 of Figure 3B, the Deduction Server 112 may perform Deduction Server 112 processing. Figure 5 is a flowchart diagram illustrating one embodiment of Deduction Server 112 processing.

In step 410, the Deduction Server 112 may calculate one or more of the amount, expected receipt date, and tax consequences of the required deduction(s). Any amounts may be calculated and listed as flat dollar amounts, percent of income bases, or by other formulas. An example of a formula may include "15% of gross payroll not to exceed 10% of net payroll and not to exceed $200." For transactions requiring multiple deductions, the Deduction Server 112 may calculate the number of deductions required, the frequency of the deductions, and any targets or end points. The amounts may be calculated using information including the purchase or service total, the User pay frequency, and the number of pay periods the deductions are taken over. The Deduction Server 112, the User and/or the e-commerce server 102 may determine the number of pay periods required for the deduction. In calculating the deduction amounts and characteristics, the Deduction Server 112 may additionally utilize information entered by the User with respect to the Control Panel Server illustrated in Figure 13.

In step 412, the pay date information may be posted to a scheduling/tracking system on the Deduction Server 112. Thus, the Deduction Server 112 software may utilize the pay date information and pay schedule information provided by the User to determine the User's future pay dates so that the Deduction Server 112 software may track income deduction payments from the Employer based on the pay dates' expected arrival. For example, if the User's payment frequency information indicates that the User is paid once per month, the software may schedule or track receipt of the income deduction from the Employer within, for example, five business days of when the User should be paid. This may be used to track and ensure that the income deduction payment is actually received by the Deduction Server 112.

In step 414, the method may create an income deduction authorization form including the deduction request entered by the User. The income deduction authorization form may include whatever information necessary to convey the deduction information to the Employer. The information may include the User's name and identifying information, the expected amounts and dates of future deductions, etc. The amounts listed may be listed as flat dollar amounts, as percents, or as formulas as needed to provide clear instructions to the Employer. The income deduction authorization form may also include added instructions for the Employer such as funds transfer instructions. The income deduction authorization form may be used to create a record of the income deduction request made by the User. The income deduction authorization form may be a physical hardcopy which may be mailed to the Employer, or may be a digital version which may be e-mailed or electronically communicated to the Employer, or a combination of the above.

In step 416, the Deduction Server 112 may transmit the income deduction authorization form to the User and to the Employer. The income deduction authorization form may be transmitted in numerous ways including an e-mailed version, a faxed version, a paper copy sent through an overnight delivery service, or other mechanisms, including two or more of the above mechanisms, to guarantee delivery. In one embodiment, deduction authorization forms for Captive Employers may be transmitted to the Captive Employer in a batch electronic format. The income deduction authorization form may be sent to both the User and to the Employer. The income deduction authorization form may be sent using a secure or encrypted mechanism, e.g., with digital signatures, digital certificates and/or RSA or other encryption. The income deduction authorization form may also include other information such as tax consequence information.

In step 417, the Employer may respond to the Deduction Server 112. The Employer may be presented with various methods to communicate with the Deduction Server 112. These methods may be listed in the income deduction authorization form. Example methods include email response, Electronic Data Interchange protocols (EDI) Web server interface, "tele-touch" telephone, and voice phone response. The Deduction Server 112 may offer other forms to allow the Employer to communicate with the Deduction Server 112. The Employer may respond to the Deduction Server 112 for numerous reasons. These reasons may include acknowledgement receipt of the deduction authorization form, fact corrections, selection of a funds transfer option, and general inquiry. The Employer may also be encouraged to enroll in other services offered by the Deduction Server 112.

In step 418, the Employer may initiate a deduction on the Employer's Income Server in response to the income deduction authorization form that was received in step 416. The Employer may enter an option in its Income Server software to initiate an income deduction for the User as requested by the User and as symbolized by the income deduction authorization form. Depending on the Income Server's sophistication level, the Employer may set up percent or formula amounts as percent and formulas, or may rely on the flat dollar amounts calculated by the Deduction Server 112 (or Income Server 122) and listed on the deduction authorization forms.

In step 420, when the User's pay date arrives, the pay may be processed by the Employer's Income Server 122 with the deduction requested by the User. In other words, in step 420, the Employer's next pay period occurs or is processed, wherein the deduction is made from the User's pay. The deduction may be for one of a variety of purposes, such as: a purchase of a product from an e-commerce site, an amount allocated to a budget to be

processed by the Deduction Server 112, an amount allocated to a debit card to be processed by the Deduction Server 112, an amount of credit extended by or through the Deduction Server 112, an amount allocated to payment of a bill of the User's to be processed by the Deduction Server 112.

In step 422, funds from the Employer or Income Server 122 may be transferred to the Deduction Server 112. Embodiments of funds transfer to the Deduction Server 112 are illustrated in Figures 7A and 7B.

In step 424, the Deduction Server 112 may update its scheduling/tracking system with any received payment from the income deduction.

In step 426, the Deduction Server 112 may determine if the deduction is a one-time deduction or a recurring deduction. Certain purchases or transaction (e.g. a book or CD) of relatively small value may be paid for in one deduction. Other purchases or transactions of larger cost (e.g. a car, Budget Service, insurance, etc.) may be paid for over multiple pay periods. The Deduction Server 112 processing for this particular purchase or transaction may end if the transaction is categorized as a one-time transaction. If the transaction is determined to be a recurring transaction, the process continues to step 428.

In step 428, the Deduction Server 112 may determine if the deduction needs to be recalculated. A deduction may be recalculated for various reasons, including reaching a target goal, change by the User, the cancellation of future deduction orders, or being categorized as a variable deduction, among others. A target goal may be reached when a transaction has a time or value limit (e.g. a car loan). Changes to the deduction amounts may be changed by the User or any other authorized party for several reasons including pricing changes or service adjustments. Future deductions may be cancelled by the User, the Employer, the E-Commerce Server 102, or the Deduction Server 112 for various reasons including non-payment, discontinuation of a service or product and termination of the relationship between the User and the Employer. A deduction may be categorized as variable based on the nature of the product or service acquired with the deduction.

A deduction that does not need to be recalculated may cause the Deduction Server 112 to send a reminder notice 430 to the Employer for future deductions. A deduction that requires recalculation will reinitiate the process at step 410.

Figure 6: Determining if the Correct Income Deduction Amount is Received

Figure 6 is a flowchart diagram illustrating one embodiment of determining if a correct amount was received, and expands on step 334 of Figure 3B. In Figure 6, the method may determine if the correct income deduction amount was received at the Deduction Server 112, and may perform processing in response to not receiving the correct income deduction amount.

There are many reasons that the correct amount may not be received by the Deduction Server 112. Examples of reasons include: the User not being paid in a given pay period; the User being paid less than expected; a termination or change in the relationship between the User and the Employer, and; the Employer's failure to set up the deduction request.

In step 452, the method may determine if the correct income deduction amount was received. If the correct income deduction amount was received by the Deduction Server 112 as determined in step 452, the method of Figure 6 completes. In one embodiment, processing may continue with step 335 of Figure 3B.

In one embodiment, in step 452 the method may perform a validation of the received income deduction amount regardless of whether any income deduction payment was actually received. If no income deduction is actually performed by the Employer, the scheduling/tracking system may perform an operation and determine that no income deduction payment was received. If an income deduction payment is received by the scheduling/tracking system, but the income deduction amount is less than that required for the product purchase, then in step 452 the method may compare the received amount with the amount recorded in the scheduling/tracking system, and may determine that insufficient funds were deducted to cover the purchased product or service (e.g., Budget Service).

If the correct income deduction amount is not received by the Deduction Server 112 as determined in step 452, then processing continues with step 453. If more than the required deduction amount is received by the Deduction Server 112, the amount is determined to be correct for purposes of 452, and the excess funds are made available to the User.

In step 453, the Deduction Server 112 may determine if the payment is secured by the Credit Service or another source. If the payment is secured, then the method of Figure 6 completes, and in one embodiment, processing may continue with step 335 of Figure 3B. If the payment is not secured by the Credit Service or another source, then operation proceeds to step 454. Example sources of secured payment may include Credit Service 208, third party credit cards and bank accounts.

If the correct income deduction amount is determined to have not been received in step 452, and no backup credit source is available as determined in step 453, then in step 454 the method may transmit one or more notifications to the Employer and the User of improper receipt of funds. As noted above, these notifications may be transmitted using various means, such as one or more of e-mail, fax, overnight delivery, etc.

In step 455, a User may be given the opportunity to adjust instructions related to the deduction request. As noted above, this communication may be accomplished using various means, including email, a Web site interface, or phone response. Examples of instructions the User may send include instructions to correct information about the Employer, select alternate forms of payment, request to apply the deficit to future deductions, and to change or cancel the deduction request. An accepted request may result in the adjustment of the expected amounts in the scheduling/tracking system. This information may supplement any information provided by the User in a Control Panel Service as illustrated in Figure 13.

In step 456, the method may periodically check if any amounts are received before a time-out period expires. If the correct amount is received before the time-out period expires, then the method of Figure 6 completes, and in one embodiment, processing may continue with step 335 of Figure 3B.

If the time-out period expires in step 456 without the correct income deduction payment having been received, notifications may be sent to the interested parties. If the income deduction was for a credit service payment as determined in 457, the Deduction Server 112 in step 459 may elect to suspend credit privileges. If the

income deduction was for a purchase from an e-commerce site as determined in step 458, then a notification may be transmitted to the e-commerce vendor of cancellation of the order in step 460. In step 462 the Deduction Server 112 may then notify the User and the Employer of cancellation of the order and hence cancellation of any future income deductions.

If the purpose of the income deduction was for a service other than an e-commerce site purchase (e.g., budgeting service, debit card service, credit service, bill payment service) then the method may advance from step 458 directly to step 462. In step 462, the method may notify the User and the Employer of cancellation of the order (or service) and hence cancellation of any future income deductions. Thus, step 462 may be performed whenever an anticipated income deduction is not received. Any insufficient funds that have already been received from the income deduction may also be returned to the Employer's Income Server at this time, possibly minus any transaction fees.

Figure 7A and 7B: Funds Transferred from Employer to Deduction Server 112

Figures 7A and 7B expand upon step 422 in Figure 5 and illustrate embodiments of methods of transferring funds deducted from the User to the Deduction Server 112. The Deduction Server 112 may have previously determined in Figure 4, step 352 if the User is paid through a Captive Employer.

Figure 7A: Determining the status of a User

If, in step 700, the User is determined to be paid by a Captive Employer, the deduction amounts may be electronically deducted from the Captive Employer's bank account by the Deduction Server 112 in step 702. In one embodiment, the Employer may have previously provided the Deduction Server 112 with the Employer bank account information. The Employer may communicate the actual deducted amounts to the Deduction Server 112, at which point the Deduction Server 112 may initiate an electronic withdrawal from the Employer's bank account. If the User is not paid by a Captive Employer, the process continues at step 701.

Figure 7B: Step 701 of Figure 7A

Figure 7B illustrates one embodiment of selecting a funds transfer option for a Non-Captive User, which may be performed in step 701 of Figure 7A. Referring to Figure 5, step 417 may allow the Employer to communicate with the Deduction Server 112. In Figure 7B, based upon this communication, the Employer may select a desired funds transfer method in step 701. Funds transfer options may include, but are not limited to: utilizing the Deduction Server 112's direct deposit system 704, utilizing the Employer's direct deposit system 716, allowing the Deduction Server 112 to initiate an electronic withdrawal from the Employer bank account 736, and allowing the Employer to initiate a paper or electronic payment to the Deduction Server 112 742. No response or selection (step 726) from the Employer in step 701 may cause the Deduction Server 112 to select a default funds transfer option in step 728. In one embodiment, the default funds transfer option may be to utilize the Employer's direct deposit system in step 716.

In step 704, the Employer may select and enroll in the Deduction Server 112's direct deposit program. In essence, this system may allow the Employer to distribute payments to some or all of the payees of the Employer utilizing the systems available through the Deduction Server 112. This service may be utilized to include various individuals that are not conducting any business with the Deduction Server 112. As an example, an Employer may be able to process some or all of the Employer's list of employees' direct deposit transactions through the Deduction Server 112, including those employees that may not be using the services of the Deduction Server 112. In one embodiment, the Employer may be required to enter additional information such as the Employer's bank account information. In one embodiment, the Employer may be required to sign an enrollment User agreement. The Employer may or may not incur additional expenses in conjunction with this option. In step 706, the Employer may provide the Deduction Server 112 with the list of all employees opting to be paid electronically. This communication may take place in several forms including email, Web interface, file transmission, or any other method of communication. In step 707, funds may be transferred electronically from the Employer to the Deduction Server 112 for the entire amount as communicated in step 706. In step 708, the required User funds may be retained by the Deduction Server 112 and entered into the scheduling/tracking system as illustrated in Figure 5. Referring again to Figure 7B, in step 710, the remaining funds of the User, and funds of other employees in the file received in step 706, may be forwarded to the bank accounts as directed by the file. As an example, the direct deposits of the employees may be forwarded to their respective bank accounts. Discrepancies and errors may be communicated to the Employer in step 710.

In step 716, the scheduling/tracking system may be set to expect the Employer to transmit the required User income deductions utilizing the electronic payment systems of the Employer. In step 718, the Employer may set up an electronic payment entry utilizing the Deduction Server 112's account information as well as other information which may be provided on the Income Deduction Authorization Form. As an example, an Employer may enter a direct deposit setup entry for a User. Basic direct deposit systems generally require entry of a bank routing number, a bank account number, an amount, and a transmit date. Additional information may be entered for clarification or authorization purposes. The information entered in step 718 may utilize the bank routing number of the Deduction Server 112 and identifying number(s) for the User as the account number. In step 720, the required funds may be electronically transferred to the Deduction Server 112 after the income payment has been processed by the Employer. In step 722, the Deduction Server 112 may determine if the deduction will be changed or terminated on the next pay period. The Deduction Server 112 may send the Employer a reminder to reinitiate, alter, or terminate the deduction and/or electronic payment for future pay periods. As an example, the Deduction Server 112 may instruct the Employer to discontinue the direct deposit setup.

The Deduction Server 112 may expect the Employer to select a desired funds transfer method in step 701. If the Employer does not select a desired funds transfer method in step 726, the scheduling/tracking system may select a default funds transfer option in step 728. In one embodiment, the default may be to utilize the electronic funds transfer systems of the Employer in step 716.

In step 736, the Employer may elect to have the required User deduction amounts to be drafted electronically from the Employer's bank account. In step 736, the Employer may provide the Deduction Server

112 with the Employer's bank account information, and may consent to have the funds withdrawn from the Employer bank account. In step 738, the Deduction Server 112 may initiate a funds transfer from the Employer's bank account.

The Employer may initiate a paper or electronic payment to the Deduction Server 112 for the required income deductions in step 742. Examples of this method may include a bank check, a bank wire, an Employer-initiated Automated Clearing House (ACH) transfer or any other means useable to convey funds to the Deduction Server 112.

Other methods of conveying funds from the Employer to the Deduction Server 112 may be implemented, including but not limited to: merchant accounts, Wallet Technology, Smart card, and virtual accounts.

Figure 8: A Budgeting Service using Income Deduction

Figure 8 illustrates the budgeting service 204 available to the User through income deduction. This system may enable the User to forward a portion or all of the User's net pay to a Budgeting Service provider.

In step 502, the User may subscribe to the Budgeting service 204 and may fill out various authorization forms and/or User agreements. These forms and/or agreements may be completed using an Internet-based GUI.

In step 504, the User may set up a pre-determined budget in various categories, including, but not limited to: savings and investments, recurring and installment purchases, one-time deduction purchases, charitable contributions, bill payment, insurance, credit cards, and debit cards. The User may also be able to set up accumulator accounts to save in multiple deduction periods towards target goals.

For example, the User may use a browser-based GUI (graphical User interface) that may present the User with the above list of categories for use in budgeting and distributing the net pay amount. Net pay is defined as the gross pay received by a User less any prior deductions. In one embodiment, the User may create User-specified categories. In one embodiment, the User may integrate the budgeting system with interfaces provided through personal accounting software (e.g. Quicken™ or Microsoft Money™). The User may adjust amounts assigned to categories. The Budgeting Service may include a tax calculator, comparisons to national or other relevant averages, and expert advice designed to assist the User in deciding on the amounts to assign to categories.

In step 506, the Deduction Server 112 may process the required deduction requests. In one embodiment, processing the required deduction requests may be performed by a method similar to the method illustrated in Figure 5. In step 508, the Deduction Server 112 may determine if the correct amount has been received. In one embodiment, the Deduction Server 112 determining if the correct amount has been received may be performed by a method similar to the method illustrated in Figure 6.

In step 509, a check may be made to see if the payments are to be accumulated over multiple pay periods. If it is determined the bill payment requires an accumulation, the process proceeds to step 510. If it is determined the bill payment does not require accumulation, the process proceeds to step 513. In step 510, the accumulated amounts may be examined to determine if the deduction goal has been met. If the goal has been met, the process proceeds to step 513. If the goal has not been met, the process proceeds to step 511. In step 511, the deduction

may be added into the accumulation account. A notification may then be sent to the User in step 512, and the process may return to step 506.

In step 513, the deducted funds may be distributed to the budget categories that have been set up by the User in step 504. Examples of the distribution may include forwarding funds to investment accounts, bank accounts, car payments, utility companies (e.g., electric company, gas company, telephone company, etc.), insurance companies, charities, and specialized accumulator accounts. The funds may be transferred using various means including, but not limited to: check, and electronic draft. In step 514, the Deduction Server 112 may send any relevant completion notices and/or statements to the User. In step 515, the payees that have received funds on behalf of the User may also send any relevant completion notices and/or statements to the User.

Figure 9A: A Debit Service using Income Deduction

As illustrated in block 206 of Figure 2, the User may subscribe to a Debit Card service, which may allow the User to assign specific income deduction amounts to one or more Debit Cards. This service may be used on its own, or may be part of the more comprehensive Budgeting service 204. The Debit Card may be used similarly to a standard bank-issued debit card. The Debit Card may be used as ATM (automatic teller machine) cards, retail charge cards, or phone cards. Other example uses for Debit Cards may include cards designated for allowances for children, emergency money, and telephone calling cards.

In step 542, the User may subscribe to the debit card service. The User may be required to fill out various authorization forms and/or User agreements possibly using an Internet-based GUI.

In step 544, the User may configure the debit card service to meet the User's requirements. In one embodiment, the User may review and transfer the amounts of existing Debit Cards. In one embodiment, the User may terminate, alter, and/or suspend specific Debit Cards. Examples of items to be configured may include, but are not limited to: the number of cards requested, the name to be printed on each card, the usage rights of each card, and the funding instructions for each card. Upon completion of the Debit Card configuration, physical cards may be sent to the Debit Card Users. Figure 9B illustrates an example setup that a User (John Doe) may enter in creating four Debit Cards.

Referring again to Figure 9A, one embodiment may allow the User to integrate the Debit Service system with interfaces provided through personal accounting software (e.g. Quicken™ or Microsoft Money™)

In step 546, the Deduction Server 112 may process the required deduction requests. In one embodiment, processing the required deduction requests may be performed by a method similar to the method illustrated in Figure 5. In step 548, the Deduction Server 112 may determine if the correct amount has been received. In one embodiment, the Deduction Server 112 determining if the correct amount has been received may be performed by a method similar to the method illustrated in Figure 6. In step 550, the deducted funds may be electronically distributed to the Debit Cards that have been set up by the User in step 544. The debit card balances may then be available to the Debit cardholders. In step 552, the Deduction Server 112 may send any relevant completion notices and/or statements to the User.

Figure 10A: A Bill Payment Service using Income Deduction

As shown in block 210, the User may subscribe to a Bill Payment service, which may allow the User to pay any household bills (e.g., rent, utilities, credit cards) directly from the User's income. In one embodiment, the Bill Payment Service may allow the User to make purchases through income deduction at e-commerce and non-e-commerce businesses that do not accept income deduction as a method of payment. This service may be used on its own, or may be part of the more comprehensive Budgeting Service 204.

In step 602, the User may subscribe to the Bill Payment service. The User may be required to fill out various authorization forms and/or User agreements, possibly using an Internet-based GUI.

In step 604, the User may then set up multiple bill payments. In one embodiment, the bill payments may be set up using a Web site GUI. The User may set up various options for each bill payment including the amount (using a flat dollar, percent of income, or more complicated formula), payment date, and payee information (e.g. name, address, phone number, reference number). The User may also set up accumulation requirements, and advanced discrepancy instructions. Figure 10B illustrates example bill payments.

Referring again to Figure 10A, one embodiment may allow the User to integrate the bill payment system with interfaces provided through personal accounting software (e.g. Quicken™ or Microsoft Money™)

In step 605, the Deduction Server 112 may process the required deduction requests. In one embodiment, processing the required deduction requests may be performed by a method similar to the method illustrated in Figure 5. In step 606, the Deduction Server 112 may determine if the correct amount has been received. In one embodiment, the Deduction Server 112 determining if the correct amount has been received may be performed by a method similar to the method illustrated in Figure 6.

In step 607, it is determined if the payments are to be accumulated over multiple pay periods. Certain large payments, such as rent payments, may be too large to deduct in one pay period. The User may choose to accumulate bill payment amounts over multiple pay periods. The accumulation instructions may be entered as a simple flat amount (e.g. $250 per week) or as a detailed formula (e.g. $500 per week not to exceed 20% of disposable income skipping the fifth week of the month). The accumulation goal may be set to reach a target amount, date, or any other criteria deemed necessary. If it is determined the bill payment requires an accumulation, the process proceeds to step 608. If it is determined the bill payment does not require accumulation, the process proceeds to step 614.

In step 608, the accumulated amounts may be examined to determine if the deduction goal has been met. If the goal has been met, the process proceeds to step 614. If the goal has not been met, the process proceeds to step 610.

In step 610, the deduction may be added into the accumulation account. A notification may then be sent to the User in step 612, and the process may return to step 605.

Once the required deductions and accumulations have been met, the Deduction Server 112 may distribute funds to the various payees in step 614. The date and method of distributing the funds may be determined in part by the instruction provided to the Deduction Server 112 by the User in step 604.

In step 615, the Deduction Server 112 may send any relevant completion notices and/or statements to the User. In step 616, the payees that have received funds on behalf of the User may send any relevant completion notices and/or statements to the User.

Figure 11: Establishing an Income Deduction Payment from a Captive User

As described in Figure 2, the income information related to a Captive User may already be available to the Deduction Server 112. In one embodiment, the Captive User may be able to access purchase options not available to the Non-Captive User. As an example, the Captive User may be offered tailored purchase options or incentives based on the Captive User's demographics, income information (e.g. expected annual income, income type, frequency), and purchase profile. Although the Captive User may utilize the process involved in Figures 3A and 3B (e.g. the Captive User may initiate a purchase through an e-commerce server), the Captive User may also be offered various products or services through the Deduction Server 112 or Employer as illustrated in Figure 11.

As described in Figure 2, employees or payees of a Captive Employer are defined as Captive Users. An Employer may become a Captive Employer by contracting with the Deduction Server 112 in step 642 to establish operational and systematic protocols to facilitate the regular electronic transfer of one or more of income, demographic, and deduction information between the Employer and the Deduction Server 112. In step 644, the income information of all individuals paid through the Employer may be sent to the Deduction Server 112. This information may be sent prior to the Captive Employer electing to make a purchase or select any service options such as those illustrated in Figure 2.

Referring to Figure 11, in step 646, the User may log on to the Web site of the Deduction Server 112. The User may use the Web site of the Deduction Server 112 to review past pay periods, update information with the Employer, use one of the service options such as those illustrated in Figure 2, or access other Deduction Server 112 services. The User may review income information for accuracy.

In step 648, the User may review and modify the security and privacy settings for the User. The User may modify the security and privacy settings according to the User's preferences. Settings may include limiting the availability of the income information by third parties, blocking certain information transmission between the Employer and the Deduction Server 112, and password changes. Security and privacy settings review and modification may be available to both Captive Users and Non-Captive Users. Thus the Deduction Server 112 may act as an intermediary to the Users.

In step 650, the User may purchase a product through the Deduction Server 112 site. The purchase may be the result of a solicitation by the Deduction Server 112, Employer, and/or e-commerce server, or the purchase may be selected by the User without solicitation. The User may or may not make a purchase, and may elect to use another service option, such as one of those illustrated in Figure 2.

In step 652, the User may select the income deduction option as the method of payment. Alternative methods of payment may include credit card, electronic, bank draft, using a pre-created accumulator account, or Wallet Technology. Any other allowed method to make payment for purchases may be employed. Once the income deduction method is selected, the User may continue with step 308 in Figure 3A.

Figure 12: A Credit Service using Income Deduction

As shown in block 208 of Figure 2, a User may apply for a Credit service that provides the User with a credit line and/or one or more credit card(s). This service may be used on its own, or may be part of the more comprehensive Budgeting service 204. These credit cards may be used in a similar manner to standard credit cards. The credit line may be used to advance purchases against future income. The payments for the credit service 208 may be deducted through the Deduction Server 112 as the User is paid. One embodiment may allow the User to integrate the credit service system with interfaces provided through personal accounting software (e.g. Quicken™ or Microsoft Money™)

In step 670, the User may apply for credit service. In one embodiment, the application may be done through a Web site GUI. The application process may be similar to that of a traditional credit card or line of credit. The User may be able to choose a credit card, a line of credit, or both a credit card and line of credit. The application may include various User agreements. Applications for a Non-Captive User may require additional information (e.g., the Non-Captive Employer written agreement to make deductions from the Non-Captive User's paycheck). Once the application is received, the Deduction Server 112 or an affiliated party may review the application to approve or deny credit service and establish a credit limit in step 672. If the application is rejected, the process may end with a notification to the applicant in step 674. If the application is approved, the process continues to step 676. The approval guidelines may be similar to the current guidelines used by traditional credit companies. The approval process may be partially or entirely electronic, reducing the process and notification time. In one embodiment, the application may be approved while the User is still logged on the system.

The maximum allowable credit service credit line may be determined in part or in whole by the monthly net income the Deduction Server 112 expects to receive from the User. This may be one factor among the standard factors evaluated by traditional credit card companies. The credit line and the credit card may operate under one "umbrella" maximum credit limit. In step 676, the User receives the credit card and/or credit line documents.

In step 678, the User uses the credit card and/or credit line. The credit card may be used in a similar manner to traditional credit cards. The credit line may be used to cover future deduction requests as well as make Internet purchases. As shown in step 453 of Figure 6, the credit line may cover future deduction requests in the event that the correct deduction is not received by the Deduction Server 112. The credit line may also serve to advance against future deductions in order to allow the User to receive products or services prior to a complete payment through all the necessary income deduction (e.g. an employee may want to receive the purchase of a new computer before the installment payments have been completed). The usage of the credit service in 678 creates steps 680 as well as 684.

In step 680, the usage of the credit service may create a debt from the Deduction Server 112 to a vendor. The debt is paid to the vendor in due course in step 682.

In step 684, the usage of the credit card service may generate a credit balance for the User. Unlike traditional credit cards which generally accumulate the credit balance to a monthly statement, the Credit Service may set up the credit period based upon the pay frequency of the User (e.g. Monthly, semi-monthly, biweekly,

weekly). Any balances accumulated by the User during the credit period may generate an automatic income deduction request form.

In step 686, the Deduction Server 112 may process the required deduction requests. In one embodiment, processing the required deduction requests may be performed by a method similar to the method illustrated in Figure 5. In step 688, the Deduction Server 112 may determine if the correct amount has been received. In one embodiment, the Deduction Server 112 determining if the correct amount has been received may be performed by a method similar to the method illustrated in Figure 6. In step 690, the payments may be applied to the credit balance. Various statements may be sent to the User as indicated in step 692.

Figure 13: A Control Panel service

As shown in block 214, a User may subscribe to a Control Panel Service. The Control Panel Service 214 may allow the User to integrate service options such as those shown in Figure 2 in one location. The Control Panel Service may optionally be used with other service options such as those shown in Figure 2. In one embodiment, the Control Panel Service GUI may be a stand-alone product. In another embodiment, some or all of the functions of the Control Panel Service GUI may be merged into the Budget Service 204. The Control Panel Service 214 may allow the User to coordinate, prioritize, and set up advanced calculations and reports for all deductions for service options such as those shown in Figure 2. Control Panel Service 214 may allow the User to set up a Privacy Panel which may allow the User to determine the amounts and types of information the User chooses to disclose to various parties. The Control Panel Service 214 may allow the User to access community-related items including email services, community discussion groups, and bulletin board services.

As illustrated in Figure 13, the Control Panel Service may offer the User services in several categories, including, but not limited to: Deduction Coordinator Services 800, Community Services 820, and Privacy Coordinator Services 840. Additional categories of services may be available as needed.

In one embodiment, Deduction Coordinator Services 800 may include prioritizing deductions 802, Advanced Calculations 804, What-if Scenarios 806, Proactive Discrepancy Resolution 808, Specialized Reporting 810, Deduction Status Tracking 812, Third Party Service Integration 814, and Deduction Combination 816. The Deduction Coordinator 800 may also include any other services necessary to allow the User to better track and control deductions.

In one embodiment, the prioritizing deductions service 802 may allow the User to select which deductions are to be taken before other deductions. The User may be able to set deductions to be taken in whole before other deductions, in part before other deductions, or in proportionate dollar or percent amounts with other deductions. This may be particularly useful if the User does not always expect to receive enough pay to cover each deduction request. As an example, a User may choose to set the bill payment deduction(s) for rent before funding a debit card.

In one embodiment, Advanced Calculations 804 may allow the User to set up formula-type calculations for some or all deductions. The Advanced Calculation Service may also allow the User to set up deductions in various groups or categories to allow certain deductions to be calculated based upon the amounts of other

deductions or groups of deductions. Deduction items that may be customized include, but are not limited to: the dollar amount; the percent or multiple of a variable (e.g. gross pay, net pay, taxable income, specific earnings, specific deductions, groupings of earnings and/or deductions, and any combination of the above); a pay period maximum and/or minimum; a specified period (e.g. Monthly, annual, weekly, etc.) maximum and/or minimum; a maximum and/or minimum calculated from another variable; deduction frequency (e.g. weekly, every third pay period, four time per month, etc.), and; User requested amounts (i.e. the Deduction Server 112 would request the User to enter a new amount prior to the Deduction Server 112 process). The Advanced Calculation 804 service may provide the User with sample or projected deduction and net pay summaries based upon the deduction calculations set up by the User. As an example, an individual may elect to allocate the greater of $50 per pay check or 25% primary debit card deduction, not to exceed $300 per month or 15% of net pay after rent deduction and car financing deduction.

In one embodiment, What-If Scenarios 806 may allow the User to set up various scenarios to explore the ramifications of the various deduction requests. A User may be able to examine the results of altering the tax characteristics of each deduction, changing the amounts, priorities, formulas, and frequencies. The What-If Scenario 806 service may display summary calculations of the User's expected tax, income, and deduction totals for a User-specified period of time (e.g. a month, a year, or any date range). As an example, the User may be able to run various scenarios to determine the after tax net pay effect of accelerating a mortgage deduction from thirty years to twenty years.

In one embodiment, Proactive Discrepancy Resolution 808 may allow the User to set up instructions in advance of the pay periods to deal with situations in which the correct deduction amount may not be received by the Deduction Server 112 as described in step 452 of Figure 6. These instructions may supplement any instructions provided by the User in step 455 of Figure 6. Some examples of the instructions a User may provide include, but are not limited to: reducing the deduction request amount to match available funds; selecting alternate forms of payment; requesting to apply the deficit to future deductions; changing or canceling the deduction request; applying deficit to credit service or other source; canceling other deductions to create available funds, and; notifying the User for further instructions.

In one embodiment, Specialized Reporting 810 may allow the User to access standard reports and set up customized reports to review income, purchase, tax, and deduction and service usage activity. The reporting may also include analysis reports like budget reviews, spending comparisons, missed deduction reviews, and other reports the User may find useful in analyzing information available to the Deduction Server 112. The reporting may be available in multiple formats including, but not limited to: HTML output; email, and; spreadsheet file download.

In one embodiment, Deduction Status Tracking 812 may allow the User to track outstanding deduction requests. The User may review the deduction status steps including, but not limited to: the steps that have completed, the steps that have yet to complete, and estimated time or dates of completion of the steps. Some of the information may be available through the scheduling/tracking system.

In one embodiment, Third Party Service Integration 814 may allow the User to integrate service options such as those illustrated in Figure 2 with external software services. The integration may allow service options

such as those illustrated in Figure 2 to import from, export to, or integrate with third-party products or services. The User may be able to access information in, or set up instructions in, a service option such as those illustrated in Figure 2 with a third-party product, or visa versa. Example third-party products include, but are not limited to: Microsoft Money™, Intuit Quicken™, Intuit QuickBooks™, and Meca Manage Your Money™.

In one embodiment, Deduction Combination Services 816 may allow the User to combine and accumulate various deductions with other deductions of the User. As an example, the User may combine a $50 per week "retirement goal" deduction with a $25 per week "children college tuition savings" deduction towards the same investment account. The Deduction Combination Service 816 may allow two or more Users to combine their deductions. As an example, a User may elect to combine a $150 per week deduction with his wife's deduction of $100 per week to pay the monthly rent. Another example may include a User combining a purchase of a computer with another User that is also purchasing a computer so that they may take advantage of quantity purchase savings. The Deduction Combination service may include technology and GUIs to allow two or more Users to communicate with each other and to set up combined accumulator accounts. The Deduction Combination Service may also provide a service to allow a User to be notified when another User initiates a transaction or purchase that may be of interest to the User.

In one embodiment, Community Services 820 may offer services including Email Account establishment and review 822, Discussion Groups 824, Support Services 826, Bulletin Board Services 828, and Expert Advice 830. The Community Service 820 may also include other services that may allow the User to better utilize the services and share information with other parties.

In one embodiment, Email Account establishment and review 822 may provide the User and/or the Employer with email accounts for personal use, as well as for Deduction Server 112 and Employer notifications. As an example, the email accounts may act as the primary email systems between an employee and Employer or contractor and subcontractor. The User and/or Employer may review email information using a Deduction Server 112 GUI and/or may connect to the site with technologies including, but not limited to: POP, IMAP, and SMTP.

In one embodiment, Discussion Groups 824 may allow the User to share ideas and information with other Users of the system. The discussion group systems and technology may act similarly to those currently used on the Internet.

In one embodiment, Support Services 826 may include such service as technical support, customer support, billing support, customer set-up and customer information updates. The support service may act in combination of phone support, GUI Web page support, email support, and any other form of support that may provide quality service and satisfaction for the Users and Employers.

In one embodiment, Bulletin Board Services 828 may allow the User to receive messages and information from an Employer or any other source.

In one embodiment, Expert Advice 830 may allow the User to receive advice on a myriad of issues such as deduction/income maximizing issues, and general issues. Deduction/Income maximizing issues may include such areas as taking advantage of tax deductions, tips on maximizing take-home pay, and warnings about poor deduction and wasteful purchase choices. The Expert Advice 830 may review all User information including the budget, bill

payment purchases, debit card, credit service, and control panel settings, as well as national or other relevant averages, to make suggestions and comments to the User. In addition to the deduction/income maximizing expert advice, Expert advice may be offered related to general issues such as local restaurants, search engines, and recommended e-commerce sites. Expert advice may include a set of pre-programmed messages, interactive GUI calculations and messaging, and human discussion via telephone or chat technology.

In one embodiment, Reminder Service 832 may allow the User and any other relevant party (e.g. the Employer, associates of the User, etc.) to set up reminders such as birthdays, news and events, stock alerts, tasks, and tax filing dates. The User may be able to customize the delivery of notifications sent by the Deduction Server 112 and/or the Employer. The reminder service may utilize email, bulleting board, fax notification, text to voice phone notification, or any other available notification technology.

In one embodiment, Privacy Coordinator Services 840 may offer the User services including Deduction Server 112 Restrictions 842, Multi-level Password Support 844, Wallet Technology 846, Information Distribution Restrictions 848, and Profile Customization 850. The Privacy Coordinator Service 840 may also include services that allow the User to better guard security and privacy.

In one embodiment, Deduction Server 112 Restrictions 842 may allow the User to define what types of information the Deduction Server 112 may receive from the Employer, e-commerce server, or third party. The Deduction Server 112 may attempt to take in all information available in order best service the User and select products matching the User's profile. Utilizing this service, the User may set up rules to block various types of information. Any blocked information will not be imported into the Deduction Server 112 even if the information is sent to the Deduction Server 112 by the Employer, e-commerce server, or a third party. As an example, the User may select to block any information pertaining to the User's social security number and income amount. The User may choose to block the description of certain purchases, and may choose to block any credit information obtained by a credit bureau. The User may be able to review any benefits or consequences to displaying or blocking various items.

In one embodiment, Multi-level Password Support 844 may allow the User to set up multiple levels of passwords and create customized security levels for each password. Passwords may allow various Users various viewing and editing capabilities. As an example, the User's spouse may be able to review debit card balances, add bill payment requests that may be forwarded to the User for approval, enter adjustment instruction in steps 455 and 808, and utilize the What-If Services 806.

In one embodiment, Wallet Technology 846 may allow the User to set up alternative names and numbers for credit card, debit card, bank accounts, and accumulator accounts in order to protect the privacy and security of the funds. A usage of the alternative numbers (e.g. a purchase) may result in a confirmation notification to the User. With this method, the User may be able to guard against fraudulent usage of the account information. In addition to storing the information with the Deduction Server 112, the User may be able to store this information on a computer desktop. In some embodiments, information stored on the computer desktop may be "dragged" on to any sites on which the User chooses to make a purchase.

In one embodiment, Information Distribution Restrictions 848 may allow the User to restrict the types of information sent by the Deduction Server 112 to other parties. For example, the User may choose to block the Deduction Server 112 from disclosing social security number or other personal information to any third parties. The User may also choose to block certain purchase information from the Employer (e.g., an employee may not want the Employer to know what the employee is purchasing). The User may be able to review any benefits or consequences of displaying or blocking various items.

In one embodiment, Profile Customization 850 may allow the User to review the User's profile stored by the Deduction Server 112. The profile may be created based on items such as the User's income, income history, demographics, purchase patterns, enrolled services, credit history, accepted/rejected advertisements, etc. The Profile Customization Service 850 may allow the User to review, edit, and block various portions of the created profile. The Profile Customization service may aid in the protection of the User's privacy, as well as better targeting suggestions to the User's needs.

Although the system and method of the present invention has been described in connection with the preferred embodiment, it is not intended to be limited to the specific form set forth herein, but on the contrary, it is intended to cover such alternatives, modifications, and equivalents, as can be reasonably included within the spirit and scope of the invention as defined by the appended claims.

WHAT IS CLAIMED IS:

1. A method for implementing an income deduction payment technique for an electronic commerce transaction, the method comprising:

receiving purchase information regarding purchase of a product from an electronic commerce vendor;

receiving income information of a user;

requesting an income deduction from an employer of the user in response to receiving the purchase information and the income information;

receiving funds from the employer in response to the income deduction request; and

forwarding at least a portion of the funds to the electronic commerce vendor as payment for the product.

2. The method of claim 1, wherein said receiving income information of the user comprises the user providing the income information.

3. The method of any of the preceding claims, wherein said receiving income information of the user comprises receiving the income information from a database.

4. The method of any of the preceding claims, wherein the income information includes one or more of an employer name, employer contact information, and a payroll date.

5. The method of any of the preceding claims, further comprising:

determining one or more required deduction amounts prior to said requesting the income deduction from the employer.

6. The method of any of the preceding claims, wherein said requesting the income deduction from the employer comprises:

creating an income deduction authorization form including the income deduction request; and

transmitting the income deduction authorization form to the employer to request the income deduction.

7. The method of claim 6, further comprising transmitting the income deduction authorization form to the user.

8. The method of any of the preceding claims, further comprising:

sending a completion notification and statement to the user after said forwarding the at least a portion of the funds to the electronic commerce vendor.

9. The method of any of the preceding claims, further comprising:

posting pay date information to a scheduling/tracking system prior to receiving the funds;

entering an amount of the funds received in the scheduling/tracking system after receiving the funds; and

determining if the correct amount of the funds were received after said receiving the funds.

10. The method of claim 9, further comprising:

determining if the purchase of the product was covered by an alternative credit source in response to determining that the correct amount of funds were not received;

wherein said forwarding at least a portion of the funds to the electronic commerce vendor is performed in response to determining that the purchase is covered by the alternative credit source.

11. The method of claim 9, further comprising:

transmitting one or more notifications to the employer and the user of improper receipt of the funds in response to determining that the correct amount of the funds were not received.

12. The method of claim 9, further comprising:

determining if the correct amount of the funds were received before expiration of a time-out period;

wherein said forwarding at least a portion of the funds to the electronic commerce vendor is performed in response to determining that the correct amount of the funds were received before the time-out period expired; and

transmitting notifications to the employer and the user of cancellation of the product purchased in response to the time-out period expiring before the correct amount of the funds has been received.

13. The method of any of the preceding claims, wherein forwarding the at least a portion of the funds to the electronic commerce vendor as payment for the product further comprises:

adding the at least a portion of the funds to an accumulation account, wherein the accumulation account includes funds from one or more prior income deductions;

determining if the funds in the accumulation account are sufficient to pay for the product; and

forwarding at least a portion of the funds in the accumulation account to the electronic commerce vendor as payment for the product in response to determining the funds in the accumulation account are sufficient to pay for the product.

14. The method of any of the preceding claims, further comprising:

determining if a financing application is required prior to requesting the income deduction from the employer;

receiving financing information from the user regarding financing of the product; and

determining approval of the financing application in response to the financing information.

15. The method of claim 14, further comprising:

transmitting a notification to the user of rejection of the financing application in response to disapproval of the financing application.

16. The method of claim 14, further comprising:

determining one or more required deduction amounts for a plurality of pay periods in response to the financing application being approved;

wherein a plurality of income deductions occur for a plurality of pay periods as payment for the product.

17. The method of any of the preceding claims, further comprising:

determining if the income deduction is a recurring income deduction after receiving the funds;

determining if the income deduction requires recalculation in response to determining the income deduction is a recurring income deduction; and

recalculating the income deduction in response to determining the income deduction requires recalculation.

18. The method of any of the preceding claims, further comprising:

determining if the purchase of the product results in one or more tax consequences; and

preparing one or more tax documents in response to determining the purchase of the product results in one or more tax consequences.

19. The method of any of the preceding claims, further comprising:

initiating a purchase of a product from an electronic commerce vendor in response to user input;

wherein said receiving purchase information is performed after said initiating a purchase of a product.

20. The method of claim 19, wherein said initiating the purchase of the product from the electronic commerce vendor includes:

the user launching a Web browser on a client computer system; and

the Web browser on the client computer system connecting to an electronic commerce server of the electronic commerce vendor over the Internet.

21. The method of any of the preceding claims, further comprising:

selecting an income deduction payment option for purchase of the product in response to user input after said initiating the purchase of the product from the electronic commerce vendor;

wherein said requesting the income deduction from the employer of the user is performed in response to said selecting the income deduction payment option.

22. The method of claim 21, wherein the electronic commerce vendor includes an electronic commerce server, the method further comprising:

the electronic commerce server presenting a plurality of payment options on a graphical user interface which is viewed by the user, wherein the plurality of payment options includes the income deduction payment option;

wherein said selecting the income deduction payment option comprises selecting the income deduction payment option from the plurality of payment options in response to user input.

23. The method of any of the preceding claims, further comprising:

the electronic commerce vendor providing the product to the user after said forwarding the at least a portion of the funds to the electronic commerce vendor.

24. The method of any of the preceding claims, wherein the employer is a payroll company.

25. The method of any of the preceding claims, wherein the employer is an employee leasing company.

26. The method of any of the preceding claims, wherein the income deduction is a payroll deduction.

27. The method of any of the preceding claims, wherein the income information includes payroll information.

28. The method of any of the preceding claims, wherein the income deduction payment option is a payroll deduction payment option.

29. A system for implementing an income deduction payment technique for an electronic commerce transaction which performs a method according to any of the preceding claims 1-28.

30. The system of claim 29, wherein the system comprises:

a deduction server;

wherein the deduction server is operable to receive purchase information regarding purchase of a product from an electronic commerce vendor;

wherein the deduction server is further operable to receive payroll information of a user;

wherein the deduction server is further operable to request a payroll deduction from an employer of the user in response to receiving the purchase information and the payroll information;

wherein the deduction server is further operable to receive funds from the employer in response to the payroll deduction request; and

wherein the deduction server is further operable to forward at least a portion of the funds to the electronic commerce vendor as payment for the product.

31. A carrier medium comprising program instructions, wherein the program instructions are executable to perform a method according to any of the preceding claims 1-28.

32. A method for performing an electronic commerce transaction using income deduction techniques, the method comprising:

initiating a purchase of a product from an electronic commerce vendor in response to user input;

requesting an income deduction from an employer of the user in response to said initiating the purchase of the product from the electronic commerce vendor;

receiving funds from the employer in response to the income deduction request; and

forwarding at least a portion of the funds to the electronic commerce vendor as payment for the product.

33. A method for performing an electronic commerce transaction using payroll deduction techniques, the method comprising:

initiating a purchase of a product from an electronic commerce vendor in response to user input;

selecting a payroll deduction payment option for purchase of the product in response to user input;

a deduction server receiving purchase information regarding the purchase of the product;

the deduction server receiving payroll information of the user;

the deduction server requesting a payroll deduction from an employer of the user in response to receiving the purchase information and the payroll information of the user;

the deduction server receiving funds from the employer in response to the payroll deduction request; and

the deduction server forwarding at least a portion of the funds to the electronic commerce vendor as payment for the product.

34. A method for performing an electronic commerce transaction using payroll deduction techniques, the method comprising:

providing product information relevant to purchase of a product from an electronic commerce vendor, wherein the product information is provided to a user;

receiving a purchase request for purchase of the product from the user;

presenting one or more payment options for purchase of the product, wherein said one or more payment options include a payroll deduction payment option;

receiving user input selecting the payroll deduction payment option; and

receiving payment for the product as a payroll deduction from an employer of the user in response to the user input selecting the payroll deduction payment option.

35. The method of claim 34, further comprising:

receiving payroll information of the user prior to said receiving payment for the product as a payroll deduction, wherein the payroll information is used in configuring the payroll deduction.

36. The method of any of the preceding claims, wherein purchase information regarding the purchase of the product and the payroll information are both used in configuring the payroll deduction.

37. The method of any of the preceding claims, further comprising:

providing purchase information regarding the purchase of the product to a deduction server;

wherein the deduction server uses the purchase information in configuring the payroll deduction.

38. A system for performing an electronic commerce transaction using payroll deduction techniques which performs a method according to any of the preceding claims 34-37.

39. The system of claim 38, wherein the system comprises:

an electronic commerce server which offers one or more products for sale by an electronic commerce vendor;

wherein the electronic commerce server is operable to provide product information relevant to purchase of a product from the electronic commerce vendor, wherein the product information is provided to a user;

wherein the electronic commerce server is further operable to receive a purchase request for purchase of the product from the user;

wherein the electronic commerce server is further operable to present one or more payment options for purchase of the product, wherein said one or more payment options include a payroll deduction payment option;

wherein the electronic commerce server is further operable to receive user input selecting the payroll deduction payment option; and

wherein the electronic commerce server is further operable to receive payment for the product as a payroll deduction from an employer of the user in response to the user input selecting the payroll deduction payment option.

40. A carrier medium comprising program instructions, wherein the program instructions are executable to perform a method according to any of the preceding claims 34-37.

41. A method for providing a budgeting service using income deduction techniques, the method comprising:

configuring budget information using a graphical user interface in response to user input, wherein the budget information specifies a plurality of pay amounts paid to one or more payees;

a deduction server receiving the budget information;

the deduction server requesting an income deduction to an employer of the user in response to receiving the budget information, wherein the user receives funds as income from the employer;

the deduction server receiving at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

the deduction server distributing funds to the one or more payees according to the budget information of the user.

42. The method of claim 41, further comprising:

the deduction server transmitting a completion notification and statement to the user after distributing the funds to the payees according to the budget.

43. The method of any of the preceding claims, wherein the deduction server requesting the income deduction from the employer comprises:

creating an income deduction authorization form including the income deduction request; and

transmitting the income deduction authorization form to the employer to request the income deduction.

44. The method of claim 43, further comprising transmitting the income deduction authorization form to the user.

45. The method of any of the preceding claims, further comprising:

the deduction server sending a statement to the user after the deduction server distributing funds to the payees according to the budget information of the user, wherein the statement describes the distribution of funds to the payees.

46. The method of any of the preceding claims, further comprising:

the deduction server posting pay date information to a scheduling/tracking system prior to receiving the at least a portion of the pay;

the deduction server entering an amount of the funds received in the scheduling/tracking system after receiving the at least a portion of the funds; and

the deduction server determining if the correct amount of the funds were received after said receiving the at least a portion of the funds.

47. The method of claim 46, further comprising:

transmitting one or more notifications to the employer and the user of improper receipt of the at least a portion of the funds in response to determining that the correct amount of the at least a portion of the funds was not received.

48. The method of any of the preceding claims, further comprising:

the deduction server determining if the income deduction requires recalculation;

the deduction server recalculating the income deduction in response to determining if the income deduction requires recalculation; and

the deduction server requesting a modification in the income deduction to the employer of the user after recalculating the income deduction.

49. The method of any of the preceding claims, wherein the deduction server distributing funds to the payees further comprises:

the deduction server adding at least a portion of the received pay to an accumulation account, wherein the accumulation account includes funds from one or more prior income deductions;

the deduction server determining if the funds in the accumulation account are sufficient to pay one or more of the payees; and

the deduction server distributing at least a portion of the funds in the accumulation account to the one or more of the payees in response to determining the funds in the accumulation account are sufficient to pay the one or more of the payees.

50. The method of any of the preceding claims, wherein the one or more payees include one or more investment accounts.

51. The method of any of the preceding claims, wherein the one or more payees include one or more savings accounts.

52. The method of any of the preceding claims, wherein the employer is a payroll company operating on behalf of the user's employer.

53. The method of any of the preceding claims, wherein the employer is an employee leasing company.

54. A system for providing a budgeting service using income deduction techniques which performs a method according to any of the preceding claims 41-53.

55. The system of claim 54, wherein the system comprises:

a budgeting service system; and

a deduction server;

wherein the budgeting service system is operable to configure budget information using a graphical user interface in response to user input, wherein the budget information specifies a plurality of pay amounts paid to one or more payees;

wherein the deduction server is operable to receive the budget information from the budget service system;

wherein the deduction server is further operable to request an income deduction to an employer of the user in response to receiving the budget information, wherein the user receives funds as income from the employer;

wherein the deduction server is further operable to receive at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

wherein the deduction server is further operable to distribute funds to the one or more payees according to the budget information of the user.

56. A carrier medium comprising program instructions, wherein the program instructions are executable to perform a method according to any of the preceding claims 41-53.

57. A method for providing a bill payment service using income deduction techniques, the method comprising:

configuring bill payment information using a graphical user interface in response to user input, wherein the bill payment information specifies a plurality of pay amounts paid to one or more payees;

a deduction server receiving the bill payment information;

the deduction server requesting an income deduction to an employer of the user in response to the bill payment information, wherein the user receives funds as income from the employer;

the deduction server receiving at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

the deduction server distributing funds to the one or more payees according to the bill payment information of the user.

58. The method of claim 57, further comprising:

the deduction server transmitting a completion notification and statement to the user after distributing the funds to the payees according to the bill payment information.

59. The method of any of the preceding claims, wherein the deduction server requesting the income deduction from the employer comprises:

creating an income deduction authorization form including the income deduction request; and

transmitting the income deduction authorization form to the employer to request the income deduction.

60. The method of any of the preceding claims, further comprising transmitting the income deduction authorization form to the user.

61. The method of any of the preceding claims, further comprising:

the deduction server sending a statement to the user after the deduction server distributing funds to the payees according to the bill payment information of the user, wherein the statement describes the distribution of funds to the payees.

62. The method of any of the preceding claims, further comprising:

the deduction server posting pay date information to a scheduling/tracking system prior to receiving the at least a portion of the funds;

the deduction server entering an amount of the funds received in the scheduling/tracking system after receiving the at least a portion of the funds; and

the deduction server determining if the correct amount of the funds were received after said receiving the at least a portion of the funds.

63. The method of claim 62, further comprising:

transmitting one or more notifications to the employer and the user of improper receipt of the at least a portion of the funds in response to determining that the correct amount of the at least a portion of the funds was not received.

64. The method of any of the preceding claims, further comprising:

the deduction server determining if the income deduction requires recalculation;

the deduction server recalculating the income deduction in response to determining if the income deduction requires recalculation; and

the deduction server requesting a modification in the income deduction to the employer of the user after recalculating the income deduction.

65. The method of any of the preceding claims, wherein the deduction server distributing funds to the payees further comprises:

the deduction server adding at least a portion of the received pay to an accumulation account, wherein the accumulation account includes funds from one or more prior income deductions;

the deduction server determining if the funds in the accumulation account are sufficient to pay one or more of the payees; and

the deduction server distributing at least a portion of the funds in the accumulation account to the one or more of the payees in response to determining the funds in the accumulation account are sufficient to pay the one or more of the payees.

66. The method of any of the preceding claims, wherein the employer is a payroll company acting on behalf of the user's employer.

67. The method of any of the preceding claims, wherein the employer is an employee leasing company.

68. A system for providing a bill payment service using income deduction techniques which performs a method according to any of the preceding claims 57-67.

69. The system of claim 68, wherein the system comprises:

a bill payment service system; and

a deduction server;

wherein the bill payment service system is operable to configure bill payment information using a graphical user interface in response to user input, wherein the bill payment information specifies a plurality of pay amounts paid to one or more payees;

wherein the deduction server is operable to receive the bill payment information;

wherein the deduction server is further operable to request an income deduction to an employer of the user in response to the bill payment information, wherein the user receives funds as income from the employer;

wherein the deduction server is further operable to receive at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

wherein the deduction server is further operable to distribute funds to the one or more payees according to the bill payment information of the user.

70. A carrier medium comprising program instructions, wherein the program instructions are executable to perform a method according to any of the preceding claims 57-67.

71. A method for providing a debit service using income deduction techniques, the method comprising:

configuring debit information using a graphical user interface in response to user input, wherein the debit information specifies one or more debit cards and balances for the one or more debit cards;

a deduction server receiving the debit information;

the deduction server requesting an income deduction to an employer of the user in response to receiving the debit information, wherein the user receives funds as income from the employer;

issuing the one or more debit cards to the user;

the deduction server receiving at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

the deduction server distributing funds to the balances of the one or more debit cards according to the debit information of the user.

72. The method of claim 71, further comprising:

the deduction server transmitting a completion notification and statement to the user after distributing the at least a portion of the funds to the debit cards according to the debit information.

73. The method of any of the preceding claims, wherein the deduction server requesting the income deduction from the employer comprises:

creating an income deduction authorization form including the income deduction request; and

transmitting the income deduction authorization form to the employer to request the income deduction.

74. The method of claim 73, further comprising transmitting the income deduction authorization form to the user.

75. The method of any of the preceding claims, further comprising:

the user using one or more of the debit cards to purchase one or more products from one or more product vendors; and

the deduction server distributing funds from the balances of the one or more of the debit cards used to purchase the one or more products to the one or more product vendors as payment for the one or more products.

76. The method of claim 75, further comprising:

the deduction server sending a statement to the user after the deduction server distributing funds to the product vendors , wherein the statement describes the distribution of funds from the balances of the one or more of the debit cards to the product vendors.

77. The method of any of the preceding claims, further comprising:

the deduction server posting pay date information to a scheduling/tracking system prior to receiving the at least a portion of the funds;

the deduction server entering an amount of the funds received in the scheduling/tracking system after receiving the at least a portion of the funds; and

the deduction server determining if the correct amount of funds was received after said receiving the at least a portion of the funds.

78. The method of claim 77, further comprising:

transmitting one or more notifications to the employer and the user of improper receipt of the at least a portion of the funds in response to determining that the correct amount of the at least a portion of the funds was not received.

79. The method of any of the preceding claims, further comprising:

the deduction server determining if the income deduction requires recalculation;

the deduction server recalculating the income deduction in response to determining if the income deduction requires recalculation; and

the deduction server requesting a modification in the income deduction to the employer of the user after recalculating the income deduction.

80. The method of any of the preceding claims, wherein the employer is a payroll company operating on behalf of the user's employer.

81. The method of any of the preceding claims, wherein the employer is an employee leasing company.

82. A system for providing a debit service using income deduction techniques which performs a method according to any of the preceding claims 71-81.

83. The system of claim 82, wherein the system comprises:

a debit service system; and

a deduction server;

wherein the debit service system is operable to configure debit information using a graphical user interface in response to user input, wherein the debit information specifies one or more debit cards and balances for the one or more debit cards;

wherein the deduction server is operable to receive the debit information;

wherein the deduction server is further operable to request an income deduction to an employer of the user in response to receiving the debit information, wherein the user receives funds as income from the employer;

wherein the debit service system is further operable to issue the one or more debit cards to the user;

wherein the deduction server is further operable to receive at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

wherein the deduction server is further operable to distribute funds to the balances of the one or more debit cards according to the debit information of the user.

84. A carrier medium comprising program instructions, wherein the program instructions are executable to perform a method according to any of the preceding claims 71-81.

85. A method for providing a credit service using income deduction techniques, the method comprising:

configuring credit information using a graphical user interface in response to user input, wherein the credit information specifies one or more credit items and credit limits for the one or more credit items;

a deduction server receiving the credit information;

issuing the one or more credit items to the user;

the user using the one or more of the credit items to purchase one or more products from one or more product vendors;

the deduction server receiving one or more requests for payment from the one or more product vendors;

the deduction server requesting an income deduction to an employer of the user in response to receiving the one or more requests for payment, wherein the user receives funds as income from the employer;

the deduction server receiving at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

the deduction server distributing the at least a portion of the funds to the one or more product vendors according to the one or more requests for payment.

86. The method of claim 85, further comprising:

the user completing a credit application for the one or more credit items;

the deduction server issuing the one or more credit items to the user in response to approving the credit application for the user; and

the deduction server notifying the user of a denial of credit in response to not approving the credit application for the user.

87. The method of any of the preceding claims, wherein the credit item is a credit card.

88. The method of any of the preceding claims, wherein the credit item is a line of credit.

89. The method of any of the preceding claims, wherein the deduction server requesting the income deduction from the employer comprises:

creating an income deduction authorization form including the income deduction request; and

transmitting the income deduction authorization form to the employer to request the income deduction.

90. The method of claim 89, further comprising transmitting the income deduction authorization form to the user.

91. The method of any of the preceding claims, further comprising:

the deduction server sending a statement to the user after the deduction server distributing the at least a portion of the funds to the product vendors, wherein the statement describes the distribution of the at least a portion of the funds to the product vendors.

92. The method of any of the preceding claims, further comprising:

the deduction server posting pay date information to a scheduling/tracking system prior to receiving the at least a portion of the funds;

the deduction server entering an amount of the funds received in the scheduling/tracking system after receiving the at least a portion of the funds; and

the deduction server determining if the correct amount of funds was received after said receiving the at least a portion of the funds.

93. The method of claim 92, further comprising:

transmitting one or more notifications to the employer and the user of improper receipt of the at least a portion of the funds in response to determining that the correct amount of funds was not received.

94. The method of any of the preceding claims, wherein the employer is a payroll company operating on behalf of the user's employer.

95. The method of any of the preceding claims, wherein the employer is an employee leasing company.

96. A system for providing a credit service using income deduction techniques which performs a method according to any of the preceding claims 85-95.

97. The system of claim 96, wherein the system comprises:

a credit service system; and

a deduction server;

wherein the credit service system is operable to configure credit information using a graphical user interface in response to user input, wherein the credit information specifies one or more credit items and credit limits for the one or more credit items;

wherein the deduction server is operable to receive the credit information;

wherein the credit service system is further operable to issue the one or more credit items to the user;

wherein the deduction server is further operable to receive one or more requests for payment from one or more product vendors in response to the user using the one or more of the credit items to purchase one or more products from the one or more product vendors

wherein the deduction server is further operable to request an income deduction to an employer of the user in response to receiving the one or more requests for payment, wherein the user receives funds as income from the employer;

wherein the deduction server is further operable to receive at least a portion of the funds of the user from the employer in response to requesting the income deduction; and

wherein the deduction server is further operable to distribute the at least a portion of the funds to the one or more product vendors according to the one or more requests for payment.

98. A carrier medium comprising program instructions, wherein the program instructions are executable to perform a method according to any of the preceding claims 85-95.

99. A method for implementing an income deduction technique, the method comprising:

receiving income information of a user;

receiving one or more income deduction requests from the user, wherein the one or more income deduction requests include one or more destinations for income deduction funds;

requesting one or more income deductions from an employer of the user in response to receiving the one or more income deduction requests and the income information from the user;

receiving funds from the employer in response to said requesting one or more income deductions from the employer; and

distributing the funds to the one or more destinations according to the one or more income deduction requests from the user.

100. The method of claim 99,

wherein the destinations include one or more electronic commerce vendors; and

wherein the funds distributed to the electronic commerce vendors are payment for products purchased by the user from the one or more electronic commerce vendors.

101. The method of any of the preceding claims,

wherein the destinations include a budgeting service; and

wherein the funds distributed to the budgeting service are distributed among one or more payees by the budgeting service in response to user input.

102. The method of any of the preceding claims,

wherein the destinations include a bill payment service; and

wherein the funds distributed to the bill payment service are distributed among one or more payees by the bill payment service in response to user input.

103. The method of any of the preceding claims,

wherein the destinations include one or more debit cards; and

wherein the funds are added to balances of the one or more debit cards in response to user input.

104. The method of any of the preceding claims,

wherein the destinations include one or more credit items;

wherein the funds are distributed among one or more product vendors according to one or more requests for payment received from the one or more product vendors; and

wherein the requests for payment are for products purchased by the user from the product vendors using the one or more credit items.

105. The method of claim 104, wherein one or more of the one or more credit items are credit cards.

106. The method of claim 104, wherein one or more of the one or more credit items are lines of credit.

107. The method of any of the preceding claims, further comprising:

receiving a priority for the distribution of funds among the one or more destinations from the user; and

prioritizing the distribution of the funds among the one or more destinations in response to receiving the priority for the destination of the funds from the user;

wherein the priority for the distribution of funds among one or more of the one or more destinations includes a sequence in which the funds will be distributed among the one or more destinations.

108. A system for implementing an income deduction technique which performs a method according to any of the preceding claims 99-107.

109. The system of claim 108, wherein the system comprises:

a deduction server;

wherein the deduction server is operable to receive income information of a user;

wherein the deduction server is further operable to receive one or more income deduction requests from the user, wherein the one or more income deduction requests include one or more destinations for income deduction funds;

wherein the deduction server is further operable to request one or more income deductions from an employer of the user in response to receiving the one or more income deduction requests and the income information from the user;

wherein the deduction server is further operable to receive funds from the employer in response to said requesting one or more income deductions from the employer; and

wherein the deduction server is further operable to distribute the funds to the one or more destinations according to the one or more income deduction requests from the user.

110. A carrier medium comprising program instructions, wherein the program instructions are executable to perform a method according to any of the preceding claims 99-107.

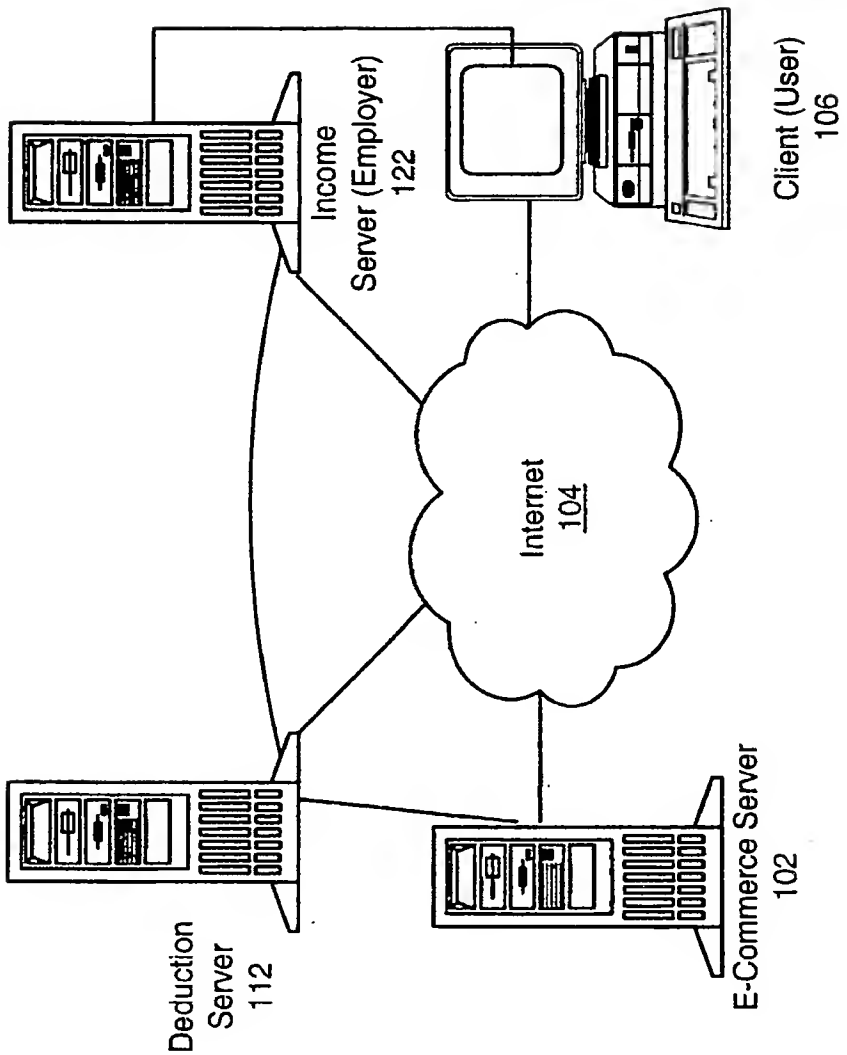

Income
Server (Employer)
122
Client (User)
106
Internet
104
Deduction
Server
112
E-Commerce Server
102

FIG. 1

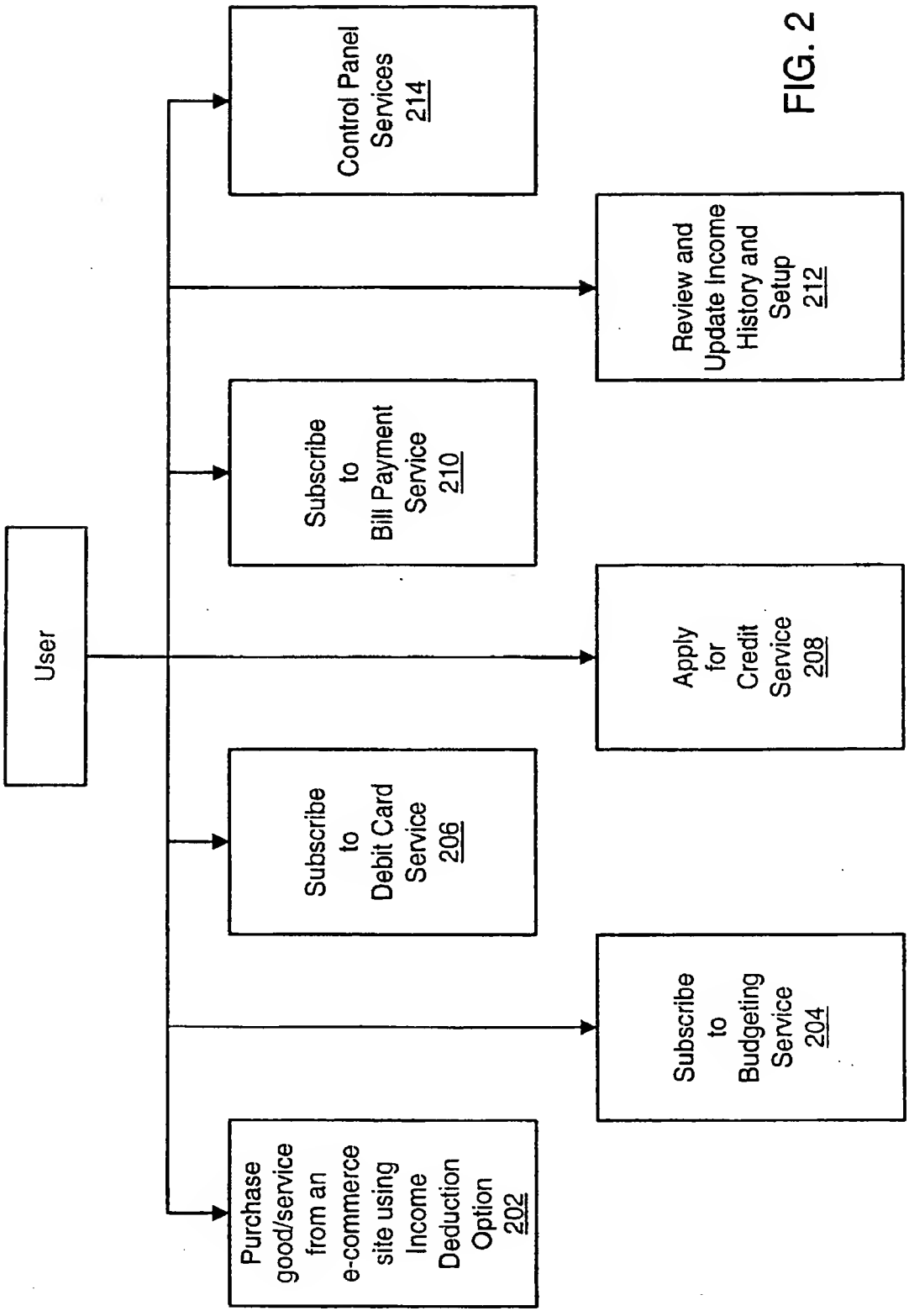

User
Purchase good/service from an e-commerce site using Income Deduction Option 202
Subscribe to Budgeting Service 204
Subscribe to Debit Card Service 206
Apply for Credit Service 208
Subscribe to Bill Payment Service 210
Review and Update Income History and Setup 212
Control Panel Services 214

FIG. 2

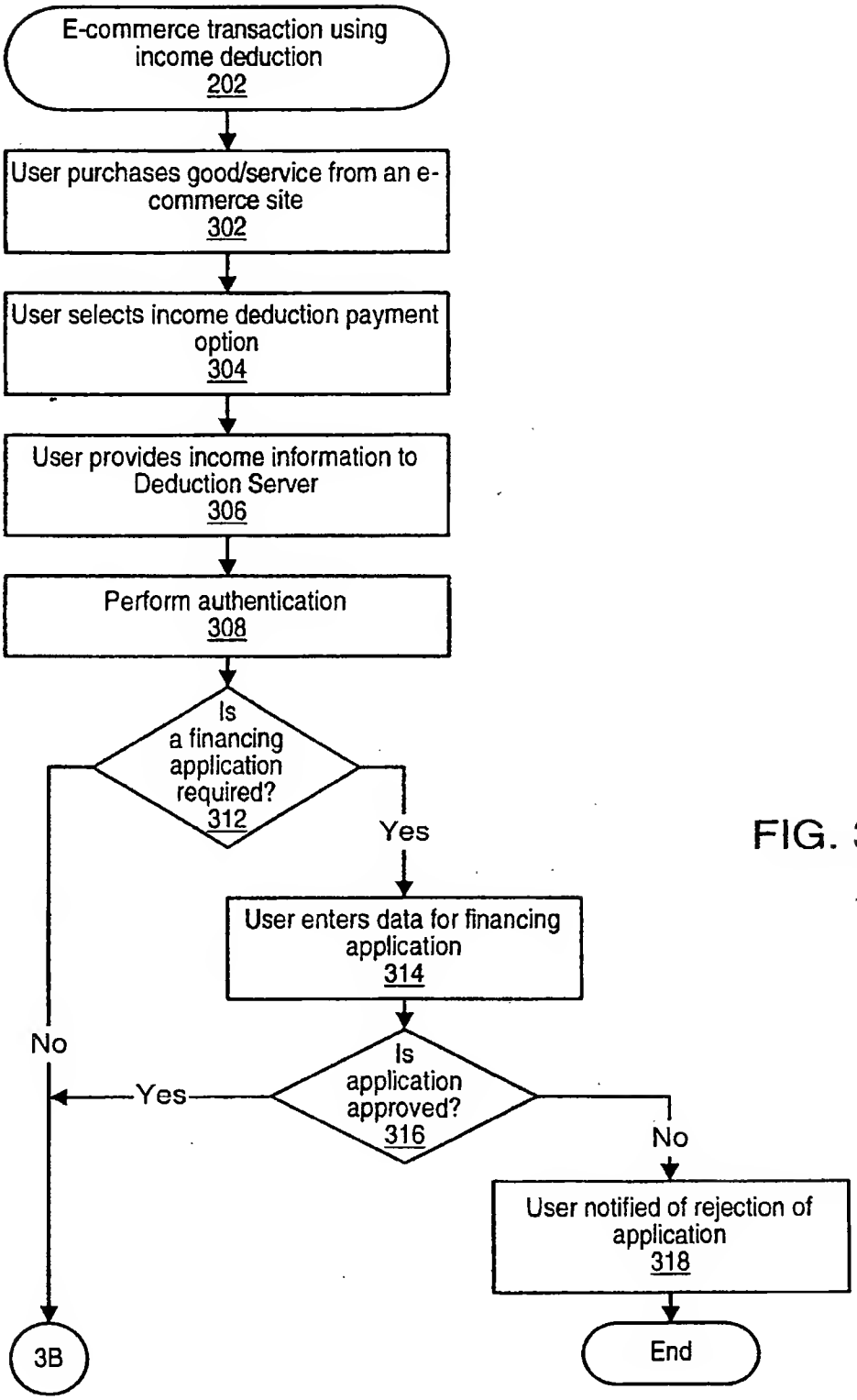

E-commerce transaction using income deduction
202
User purchases good/service from an e-commerce site
302
User selects income deduction payment option
304
User provides income information to Deduction Server
306
Perform authentication
308
Is a financing application required?
312
Yes
No
User enters data for financing application
314
Is application approved?
316
Yes
No
User notified of rejection of application
318
End
3B

FIG. 3A

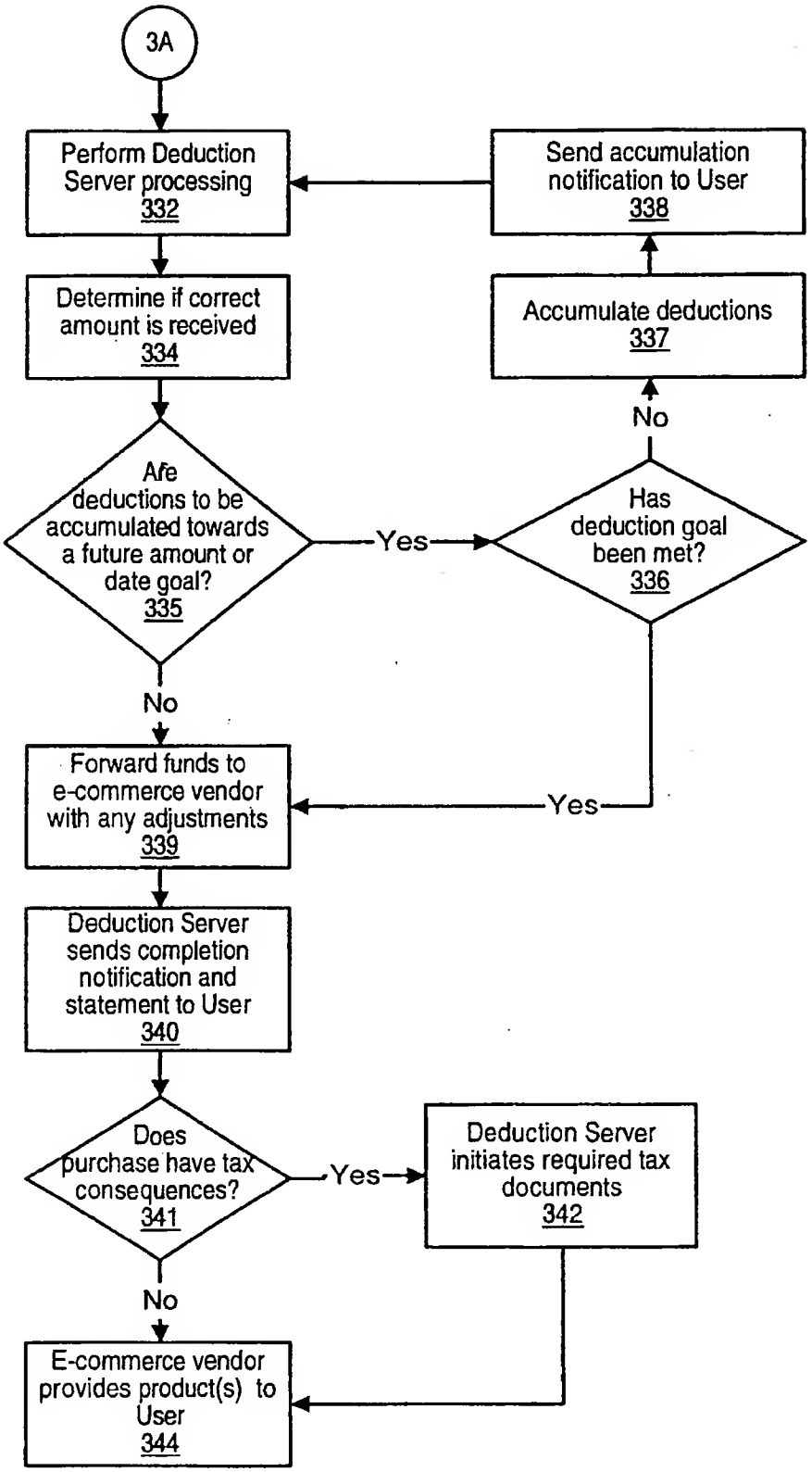

3A
Perform Deduction Server processing 332
Determine if correct amount is received 334
Are deductions to be accumulated towards a future amount or date goal? 335
Yes
Has deduction goal been met? 336
No
Accumulate deductions 337
Send accumulation notification to User 338
No
Forward funds to e-commerce vendor with any adjustments 339
Yes
Deduction Server sends completion notification and statement to User 340
Does purchase have tax consequences? 341
Yes
Deduction Server initiates required tax documents 342
No
E-commerce vendor provides product(s) to User 344

FIG. 3B

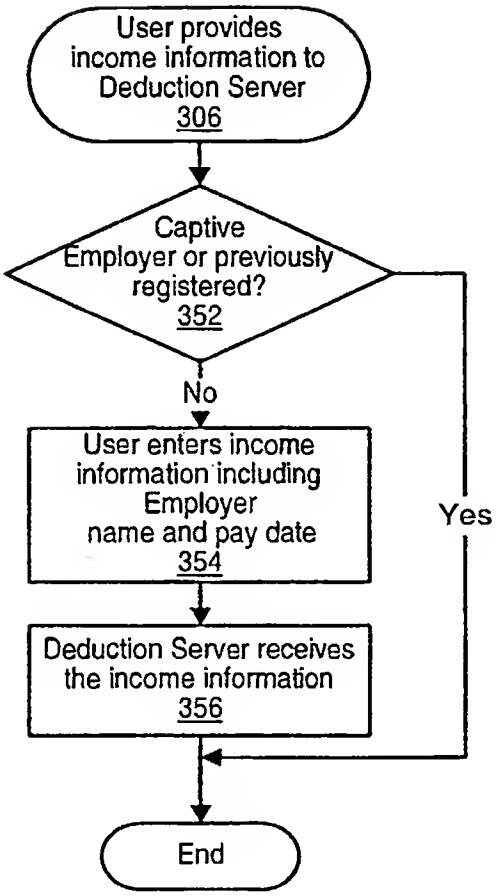

User provides income information to Deduction Server 306
Captive Employer or previously registered? 352
No
Yes
User enters income information including Employer name and pay date 354
Deduction Server receives the income information 356
End

FIG. 4

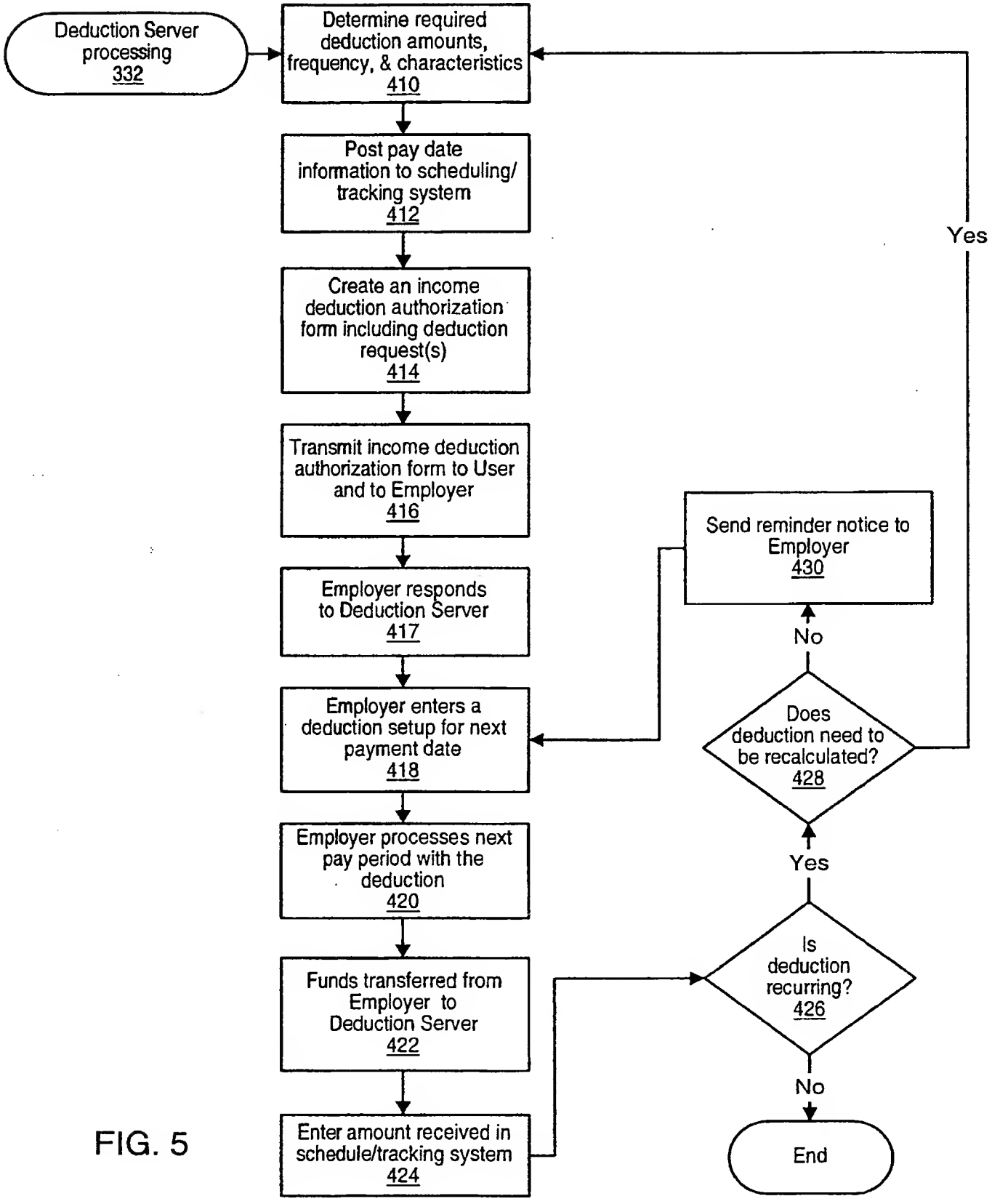
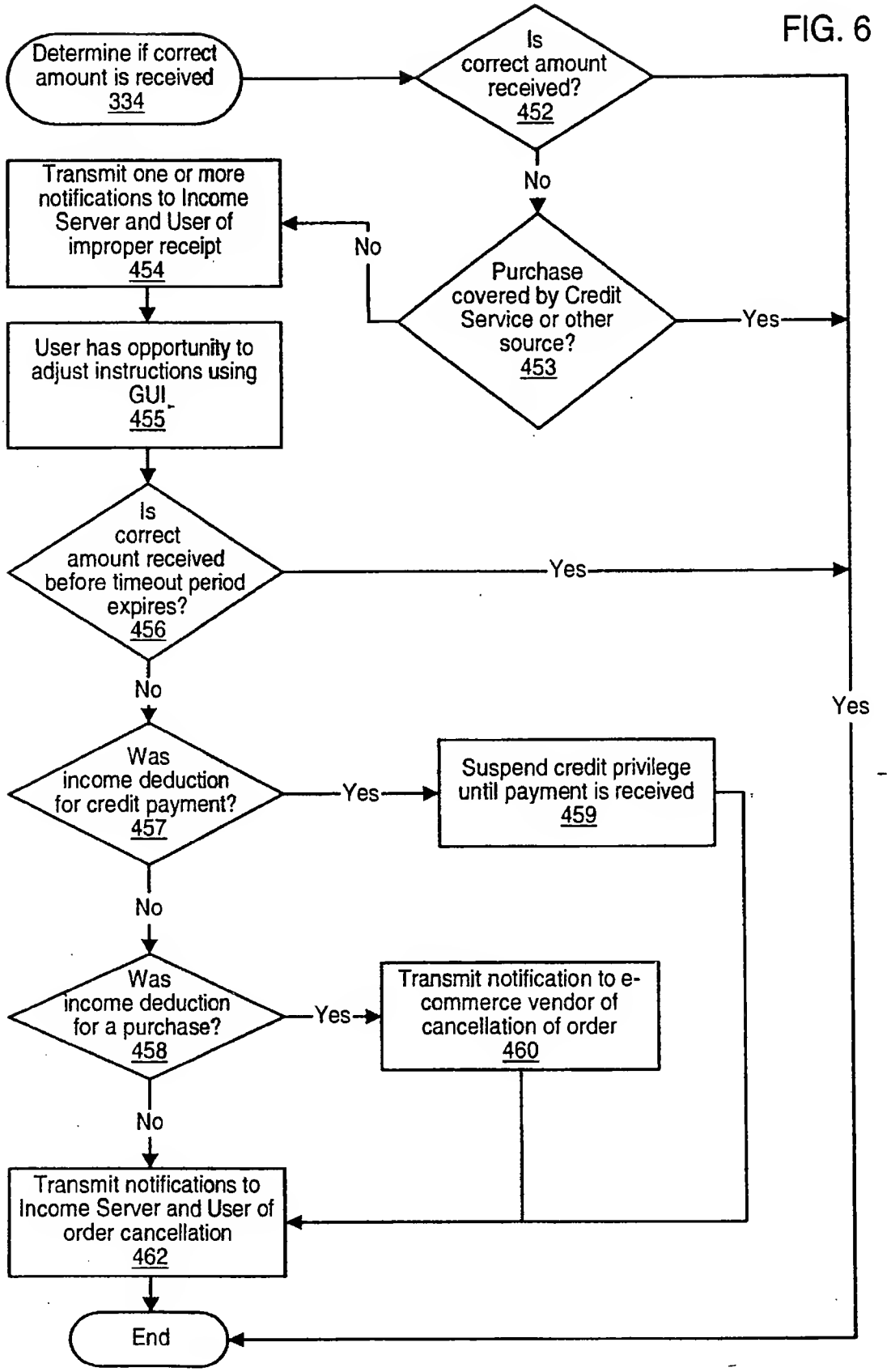

Deduction Server processing 332
Determine required deduction amounts, frequency, & characteristics 410
Post pay date information to scheduling/ tracking system 412
Create an income deduction authorization form including deduction request(s) 414
Transmit income deduction authorization form to User and to Employer 416
Employer responds to Deduction Server 417
Employer enters a deduction setup for next payment date 418
Employer processes next pay period with the deduction 420
Funds transferred from Employer to Deduction Server 422
Enter amount received in schedule/tracking system 424
Is deduction recurring? 426
No
End
Yes
Does deduction need to be recalculated? 428
No
Send reminder notice to Employer 430
Yes

FIG. 5

FIG. 6


Determine if correct amount is received 334
Is correct amount received? 452
No
Yes
Transmit one or more notifications to Income Server and User of improper receipt 454
No
Purchase covered by Credit Service or other source? 453
Yes
User has opportunity to adjust instructions using GUI 455
Is correct amount received before timeout period expires? 456
Yes
No
Yes
Was income deduction for credit payment? 457
Yes
Suspend credit privilege until payment is received 459
No
Was income deduction for a purchase? 458
Yes
Transmit notification to e-commerce vendor of cancellation of order 460
No
Transmit notifications to Income Server and User of order cancellation 462
End

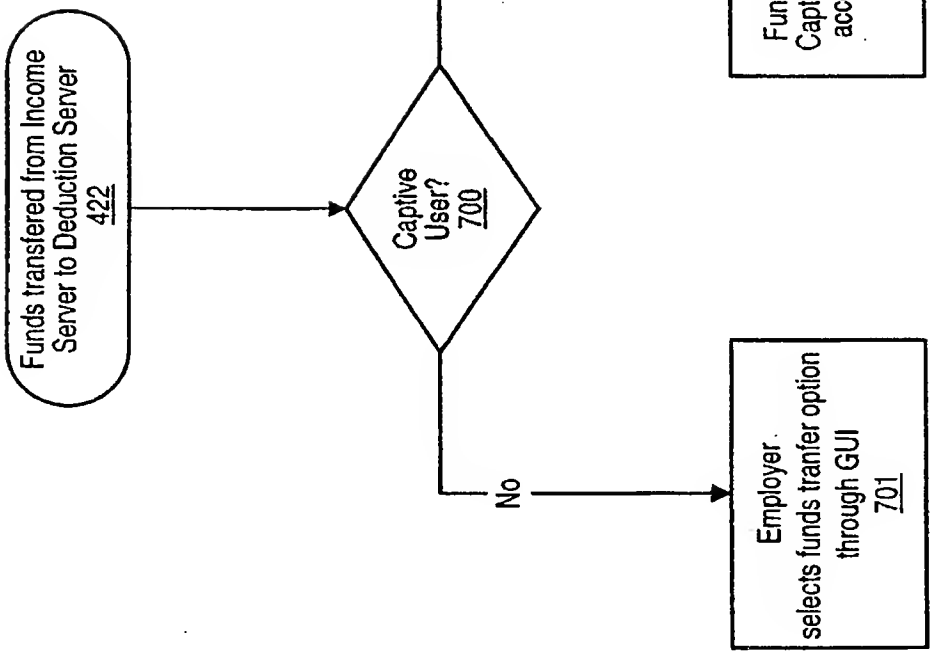

Funds transfered from Income Server to Deduction Server
422
Captive User?
700
Yes
Funds transfered from Captive Employer bank account electronically
702
No
Employer selects funds tranfer option through GUI
701

FIG. 7A

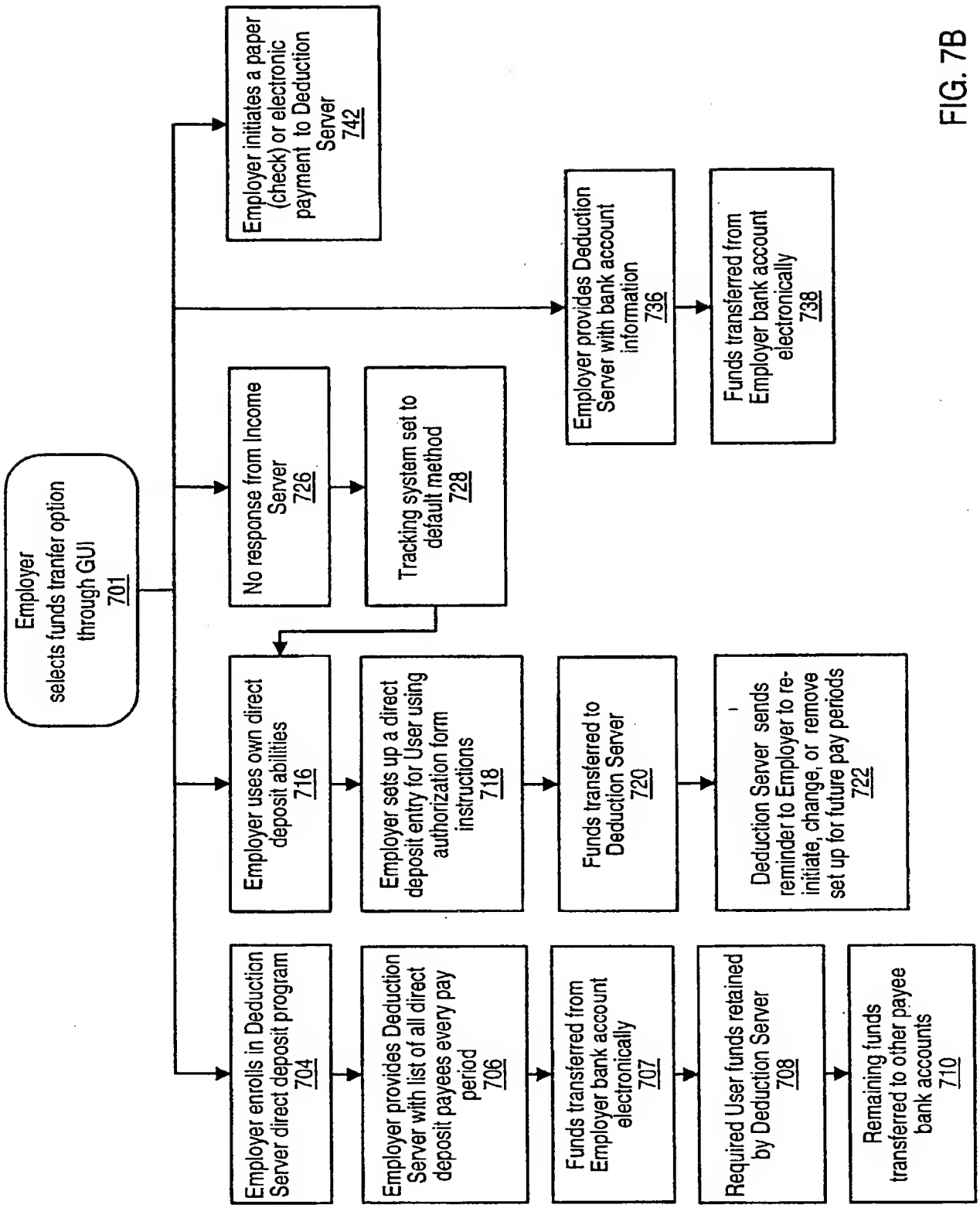

Employer selects funds tranfer option through GUI 701
Employer enrolls in Deduction Server direct deposit program 704
Employer provides Deduction Server with list of all direct deposit payees every pay period 706
Funds transferred from Employer bank account electronically 707
Required User funds retained by Deduction Server 708
Remaining funds transferred to other payee bank accounts 710
Employer uses own direct deposit abilities 716
Employer sets up a direct deposit entry for User using authorization form instructions 718
Funds transferred to Deduction Server 720
Deduction Server sends reminder to Employer to re-initiate, change, or remove set up for future pay periods 722
No response from Income Server 726
Tracking system set to default method 728
Employer initiates a paper (check) or electronic payment to Deduction Server 742
Employer provides Deduction Server with bank account information 736
Funds transferred from Employer bank account electronically 738

FIG. 7B

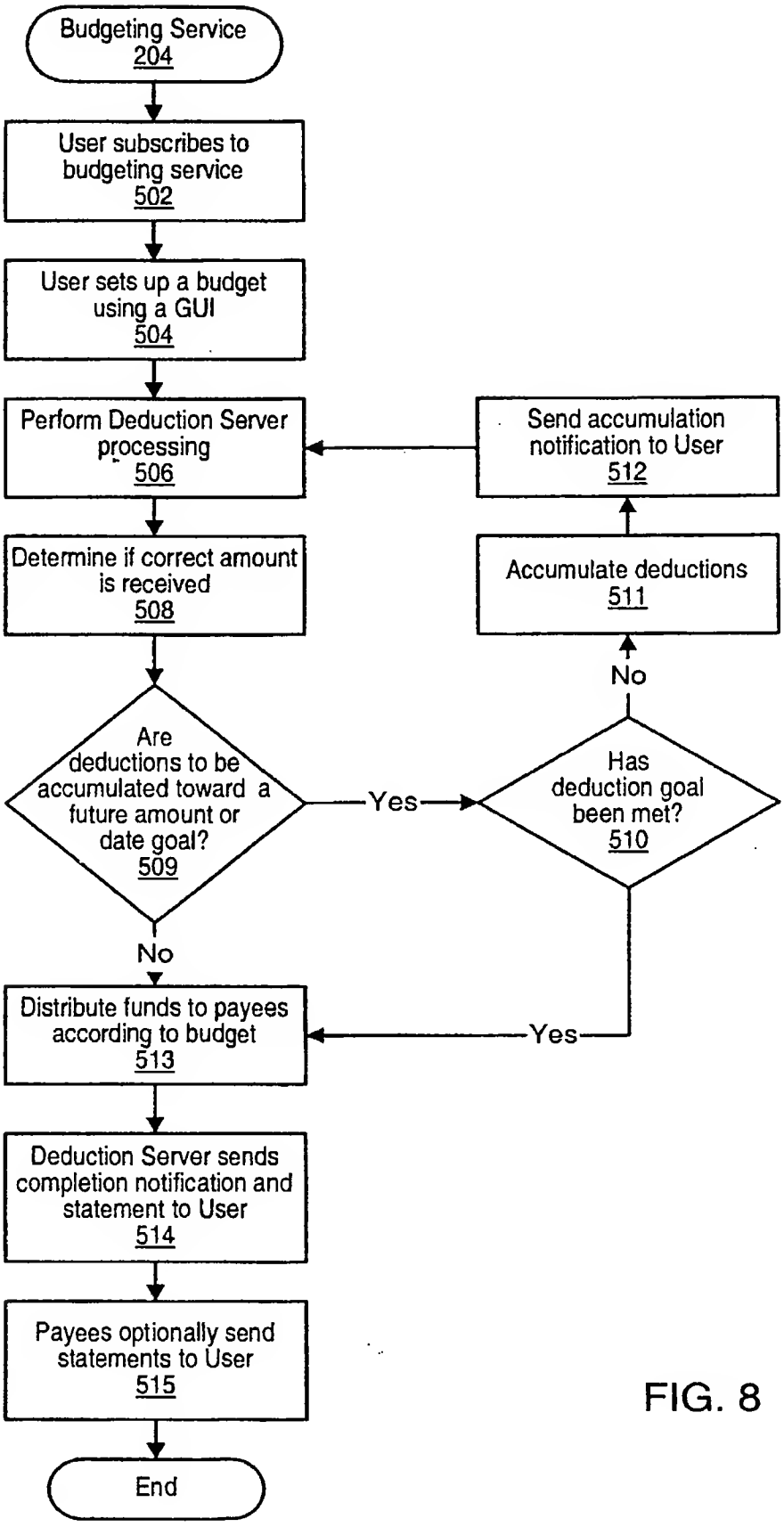

Budgeting Service
204
User subscribes to budgeting service
502
User sets up a budget using a GUI
504
Perform Deduction Server processing
506
Determine if correct amount is received
508
Are deductions to be accumulated toward a future amount or date goal?
509
Yes
Has deduction goal been met?
510
No
Accumulate deductions
511
Send accumulation notification to User
512
No
Yes
Distribute funds to payees according to budget
513
Deduction Server sends completion notification and statement to User
514
Payees optionally send statements to User
515
End

FIG. 8

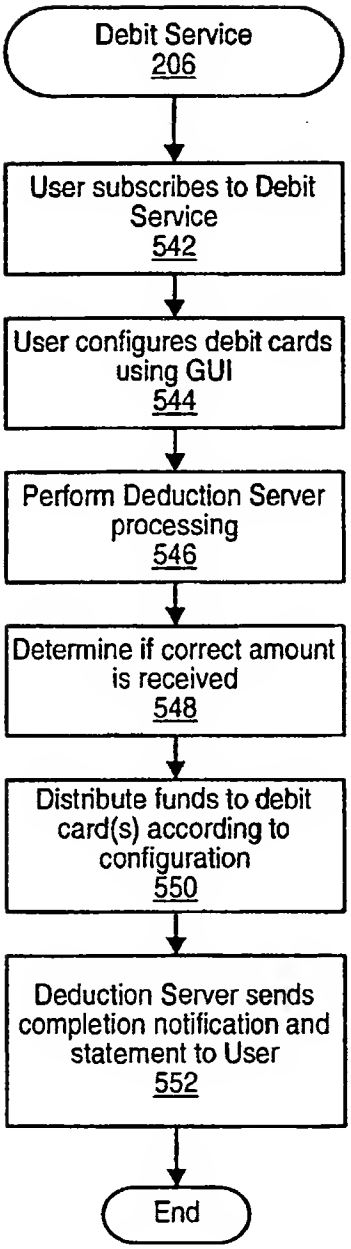

Debit Service
206
User subscribes to Debit Service
542
User configures debit cards using GUI
544
Perform Deduction Server processing
546
Determine if correct amount is received
548
Distribute funds to debit card(s) according to configuration
550
Deduction Server sends completion notification and statement to User
552
End

FIG. 9A

	Wife's Household Expenses	15-year-old Child's Allowance	Emergency Card	Income Earner's Primary Card
Name on Card	Jane Doe	Johnny Doe	John & Jane Doe	John Doe
Funding Instructions	Lesser of $250 per week or 15% of Gross Pay	$20 per week	$100 Balance	Remaining Deductions Available
Phone Card Usage	Complete	Call Home Only	Complete	Complete
Charge Card Usage	Yes	No	Yes	Yes
ATM Usage	Max $200 per day	Max $15 per week	No Restrictions	No Restrictions
Balance	Reset Each Week	Accumulating	Maximum $100	Accumulating
Smart Card Technology	Yes	No	No	Yes
Interest on Balance	No	Yes	No	Yes
Internet Access to balance	Yes	Yes	No	Yes

FIG. 9B

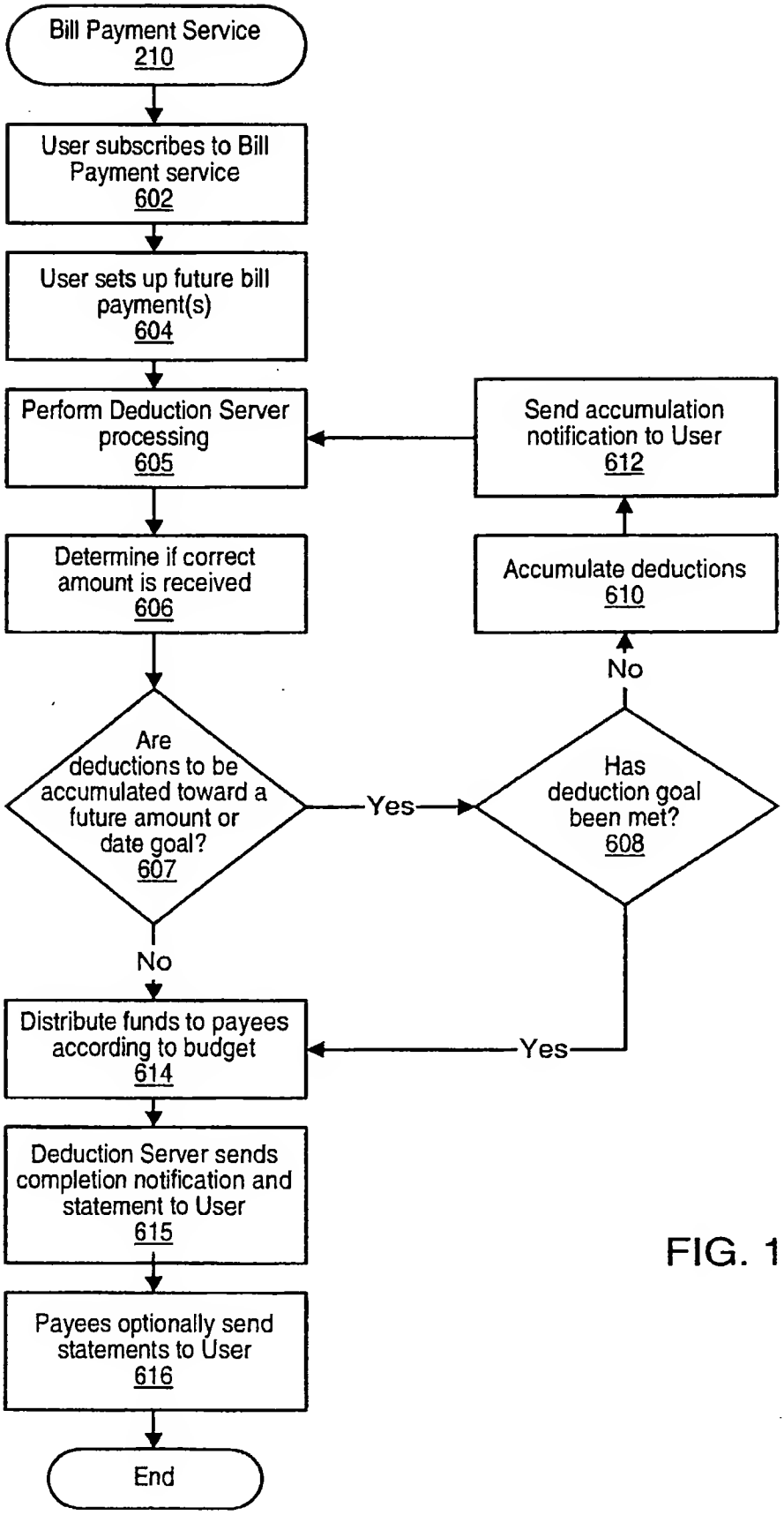

Bill Payment Service
210
User subscribes to Bill Payment service
602
User sets up future bill payment(s)
604
Perform Deduction Server processing
605
Determine if correct amount is received
606
Are deductions to be accumulated toward a future amount or date goal?
607
Yes
Has deduction goal been met?
608
No
Accumulate deductions
610
Send accumulation notification to User
612
No
Yes
Distribute funds to payees according to budget
614
Deduction Server sends completion notification and statement to User
615
Payees optionally send statements to User
616
End

FIG. 10A

	Rent	Car Registration	Car Payment	Credit Card Payment	Auction Item Purchase
Payee	Walnut Apartments	California DMV	Ford Motor Company	American Express™	Bill Smith
Amount	$925.00	$65.00	223.65 plus 10% of net pay to a maximum of $350.00	Variable, user enters amount, default minimum $100	$25.63
Frequency	Monthly	Annual	Monthly	Monthly	One time
User Reminder	No Reminder	Remind and prompt to edit amount (2 weeks in advance)	Reminder Only (1 week in advance)	Remind and require user entered amount (1 week in advance)	No Reminder
Payment Type	Check Only	Check Only	ACH	Check or ACH	Certified Check
Payment Date	1st of Month	January 15th	15th of Month	20th of Month	Immediate
Number of Payments	Unlimited	Unlimited	60	Unlimited	1
Lifetime Dollar Max	Unlimited	Unlimited	$8000.00	Unlimited	$25.63
In Case of Discrepancy	Pull funds from bank account	Delay Until Funds are Available	Use Credit Service	Pay Available Amounts	Cancel Order
Accumulate Deductions?	$250 per week	Entire Deduction	Max of $100 per week	Deduct maximum amount available	Entire deduction

FIG. 10B

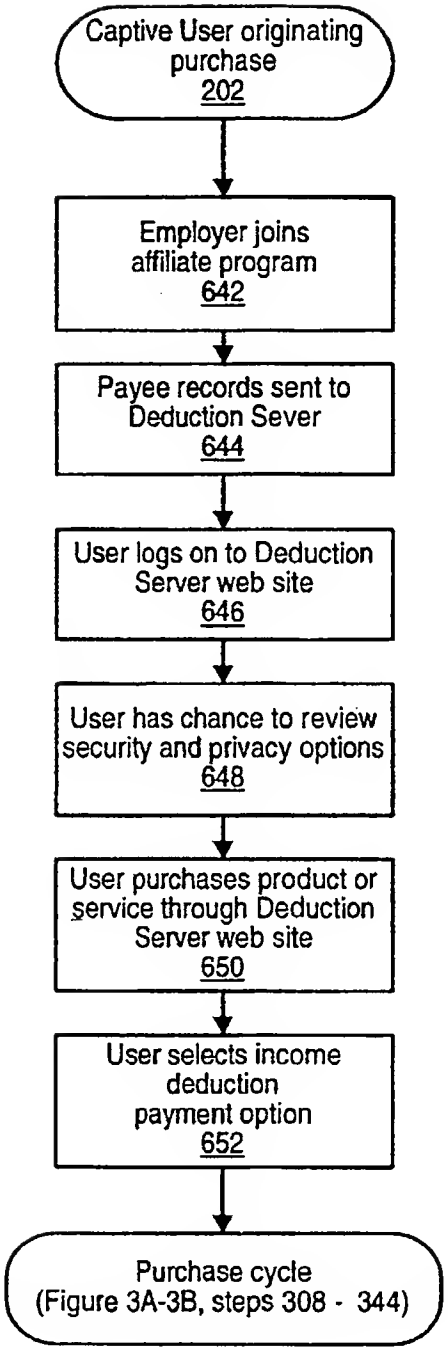

Captive User originating purchase
202
Employer joins affiliate program
642
Payee records sent to Deduction Sever
644
User logs on to Deduction Server web site
646
User has chance to review security and privacy options
648
User purchases product or service through Deduction Server web site
650
User selects income deduction payment option
652
Purchase cycle
(Figure 3A-3B, steps 308 - 344)

FIG. 11

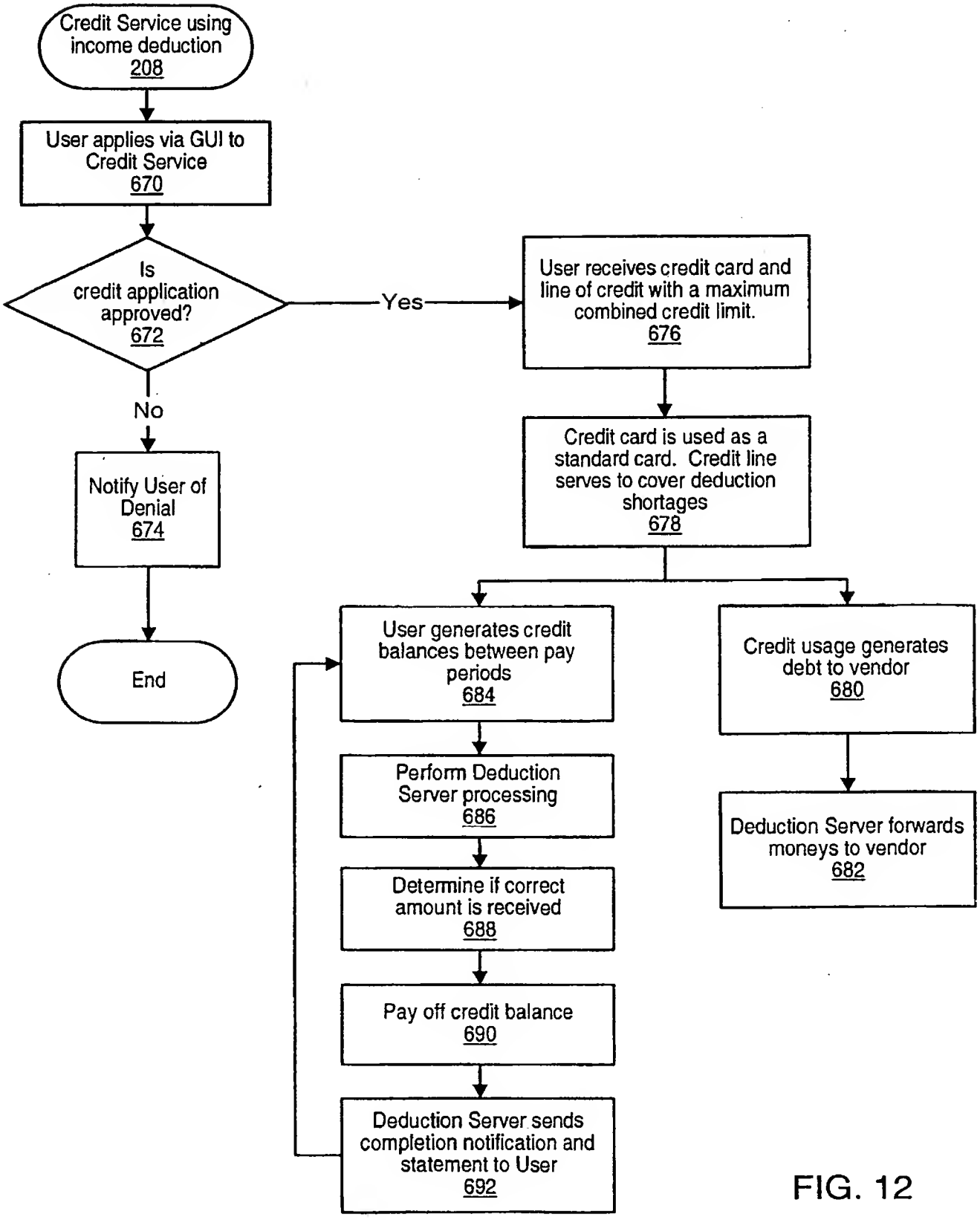
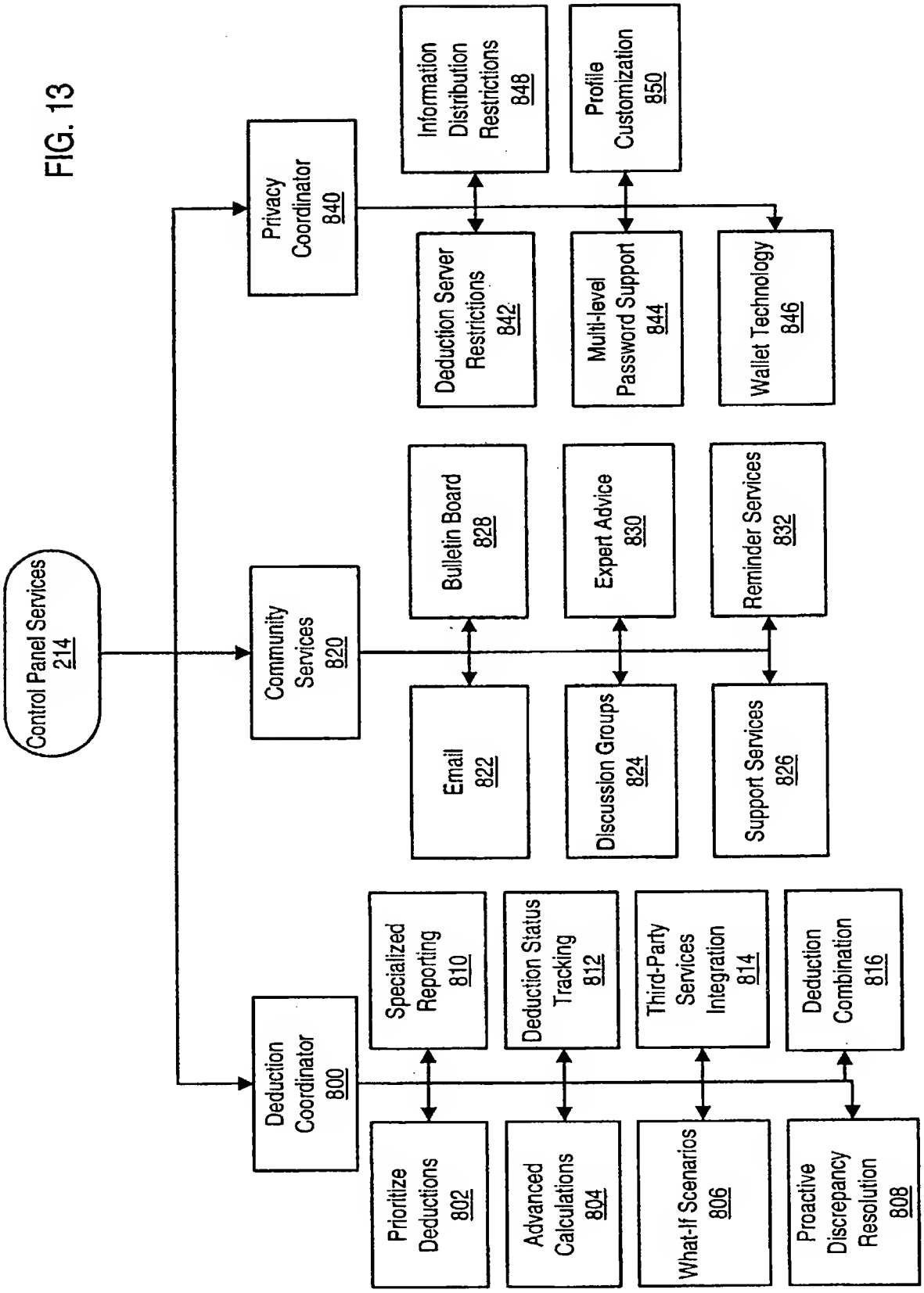

Credit Service using income deduction 208
User applies via GUI to Credit Service 670
Is credit application approved? 672
Yes
No
Notify User of Denial 674
End
User receives credit card and line of credit with a maximum combined credit limit. 676
Credit card is used as a standard card. Credit line serves to cover deduction shortages 678
User generates credit balances between pay periods 684
Perform Deduction Server processing 686
Determine if correct amount is received 688
Pay off credit balance 690
Deduction Server sends completion notification and statement to User 692
Credit usage generates debt to vendor 680
Deduction Server forwards moneys to vendor 682

FIG. 12

FIG. 13


Control Panel Services 214
Privacy Coordinator 840
Information Distribution Restrictions 848
Profile Customization 850
Deduction Server Restrictions 842
Multi-level Password Support 844
Wallet Technology 846
Community Services 820
Bulletin Board 828
Expert Advice 830
Reminder Services 832
Email 822
Discussion Groups 824
Support Services 826
Deduction Coordinator 800
Specialized Reporting 810
Deduction Status Tracking 812
Third-Party Services Integration 814
Deduction Combination 816
Prioritize Deductions 802
Advanced Calculations 804
What-If Scenarios 806
Proactive Discrepancy Resolution 808